

111TH CONGRESS
1ST SESSION

S. 1160

To provide housing assistance for very low-income veterans.

IN THE SENATE OF THE UNITED STATES

JUNE 1, 2009

Mr. SCHUMER (for himself, Mr. DURBIN, Mr. BROWN, and Mr. MENENDEZ)
introduced the following bill; which was read twice and referred to the
Committee on Banking, Housing, and Urban Affairs

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homes for Heroes Act
5 of 2009”.

6 **SEC. 2. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN OF-**

7 **FICE OF SECRETARY OF HOUSING AND**

8 **URBAN DEVELOPMENT.**

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

1 “(g) SPECIAL ASSISTANT FOR VETERANS AF-
2 FAIRS.—

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

6 “(2) APPOINTMENT.—The Special Assistant for
7 Veterans Affairs shall be appointed based solely on
8 merit and shall be covered under the provisions of
9 title 5, United States Code, governing appointments
10 in the competitive service.

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

13 “(A) ensuring veterans have access to
14 housing and homeless assistance under each
15 program of the Department providing either
16 such assistance;

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

19 “(C) serving as a liaison for the Depart-
20 ment with the Department of Veterans Affairs,
21 including establishing and maintaining relation-
22 ships with the Secretary of Veterans Affairs;

23 “(D) serving as a liaison for the Depart-
24 ment, and establishing and maintaining rela-
25 tionships with officials of State, local, regional,

1 and nongovernmental organizations concerned
2 with veterans;

3 “(E) providing information and advice re-
4 garding—

5 “(i) sponsoring housing projects for
6 veterans assisted under programs adminis-
7 tered by the Department; or

8 “(ii) assisting veterans in obtaining
9 housing or homeless assistance under pro-
10 grams administered by the Department;

11 “(F) preparing the annual report under
12 section 8 of Homes for Heroes Act of 2009;
13 and

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

17 **SEC. 3. SUPPORTIVE HOUSING FOR VERY LOW-INCOME**
18 **VETERAN FAMILIES.**

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

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

22 (2) to provide supportive services through such
23 housing to support the needs of such veteran fami-
24 lies.

25 (b) AUTHORITY.—

1 (1) IN GENERAL.—The Secretary of Housing
2 and Urban Development shall, to the extent amounts
3 are made available for assistance under this section
4 and the Secretary receives approvable applications
5 for such assistance, provide assistance to private
6 nonprofit organizations and consumer cooperatives
7 to expand the supply of supportive housing for very
8 low-income veteran families.

9 (2) NATURE OF ASSISTANCE.—The assistance
10 provided under paragraph (1)—

11 (A) shall be available for use to plan for
12 and finance the acquisition, construction, recon-
13 struction, or moderate or substantial rehabilita-
14 tion of a structure or a portion of a structure
15 to be used as supportive housing for very low-
16 income veteran families in accordance with this
17 section; and

18 (B) may also cover the cost of real prop-
19 erty acquisition, site improvement, conversion,
20 demolition, relocation, and other expenses that
21 the Secretary determines are necessary to ex-
22 pand the supply of supportive housing for very
23 low-income veteran families.

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

4 (A) the Secretary of Veterans Affairs; and

5 (B) the Special Assistant for Veterans Af-
6 fairs, as such Special Assistant was established
7 under section 4(g) of the Department of Hous-
8 ing and Urban Development Act.

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

11 (1) PLANNING GRANTS.—Assistance may be
12 provided as a grant for costs of planning a project
13 to be used as supportive housing for very low-income
14 veteran families.

15 (2) CAPITAL ADVANCES.—Assistance may be
16 provided as a capital advance under this paragraph
17 for a project, such advance shall—

18 (A) bear no interest;

19 (B) not be required to be repaid so long as
20 the housing remains available for occupancy by
21 very low-income veteran families in accordance
22 with this section; and

23 (C) be in an amount calculated in accord-
24 ance with the development cost limitation estab-
25 lished pursuant to subsection (i).

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

4 (A) obligates the Secretary to make
5 monthly payments to cover any part of the
6 costs attributed to units occupied (or, as ap-
7 proved by the Secretary, held for occupancy) by
8 very low-income veteran families that is not met
9 from project income;

10 (B) provides for the project not more than
11 the sum of the initial annual project rentals for
12 all units so occupied and any initial utility al-
13 lowances for such units, as approved by the
14 Secretary;

15 (C) provides that any contract amounts
16 not used by a project in any year shall remain
17 available to the project until the expiration of
18 the contract;

19 (D) provides that upon the expiration of
20 each contract term, the Secretary shall adjust
21 the annual contract amount to provide for rea-
22 sonable project costs, and any increases, includ-
23 ing adequate reserves, supportive services, and
24 service coordinators, except that any contract
25 amounts not used by a project during a con-

1 tract term shall not be available for such ad-
2 justments upon renewal; and

3 (E) provides that in the event of emer-
4 gency situations that are outside the control of
5 the owner, the Secretary shall increase the an-
6 nual contract amount, subject to reasonable re-
7 view and limitations as the Secretary shall pro-
8 vide.

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

13 (1) Thirty percent of the veteran family's ad-
14 justed monthly income.

15 (2) Ten percent of the veteran family's monthly
16 income.

17 (3) If the veteran family is receiving payments
18 for welfare assistance from a public agency and a
19 part of such payments, adjusted in accordance with
20 the veteran family's actual housing costs, is specifi-
21 cally designated by such agency to meet the veteran
22 family's housing costs, the portion of such payments
23 which is so designated.

24 (e) TERM OF COMMITMENT.—

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

5 (2) CONTRACT TERMS FOR PROJECT RENTAL
6 ASSISTANCE.—

7 (A) INITIAL TERM.—The initial term of a
8 contract entered into under subsection (c)(3)
9 shall be 60 months.

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

17 (C) AUTHORITY OF SECRETARY TO MAKE
18 EARLY COMMITMENTS.—In order to facilitate
19 the orderly extension of expiring contracts, the
20 Secretary may make commitments to extend ex-
21 piring contracts during the year prior to the
22 date of expiration.

23 (f) APPLICATIONS.—

24 (1) IN GENERAL.—Amounts made available
25 under this section shall be allocated by the Secretary

1 among approvable applications submitted by private
2 nonprofit organizations and consumer cooperatives.

3 (2) CONTENT OF APPLICATION.—

4 (A) IN GENERAL.—Applications for assist-
5 ance under this section shall be submitted by an
6 applicant in such form and in accordance with
7 such procedures as the Secretary shall estab-
8 lish.

9 (B) REQUIRED CONTENT.—Applications
10 for assistance under this section shall contain—

11 (i) a description of the proposed hous-
12 ing;

13 (ii) a description of the assistance the
14 applicant seeks under this section;

15 (iii) a description of—

16 (I) the supportive services to be
17 provided to the persons occupying
18 such housing;

19 (II) the manner in which such
20 services will be provided to such per-
21 sons, including, in the case of frail el-
22 derly persons (as such term is defined
23 in section 202 of the Housing Act of
24 1959 (12 U.S.C. 1701q)), evidence of
25 such residential supervision as the

1 Secretary determines is necessary to
2 facilitate the adequate provision of
3 such services; and

4 (III) the public or private sources
5 of assistance that can reasonably be
6 expected to fund or provide such serv-
7 ices;

8 (iv) a certification from the public of-
9 ficial responsible for submitting a housing
10 strategy for the jurisdiction to be served in
11 accordance with section 105 of the Cran-
12 ston-Gonzalez National Affordable Housing
13 Act (42 U.S.C. 12705) that the proposed
14 project is consistent with the approved
15 housing strategy; and

16 (v) such other information or certifi-
17 cations that the Secretary determines to be
18 necessary or appropriate to achieve the
19 purposes of this section.

20 (3) REJECTION.—The Secretary shall not reject
21 any application for assistance under this section on
22 technical grounds without giving notice of that rejec-
23 tion and the basis therefore to the applicant.

24 (g) INITIAL SELECTION CRITERIA AND PROC-
25 ESSING.—

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

4 (A) criteria based upon—

5 (i) the ability of the applicant to de-
6 velop and operate the proposed housing;

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

10 (iii) the extent to which the proposed
11 size and unit mix of the housing will en-
12 able the applicant to manage and operate
13 the housing efficiently and ensure that the
14 provision of supportive services will be ac-
15 complished in an economical fashion;

16 (iv) the extent to which the proposed
17 design of the housing will meet the service-
18 connected disability needs of very low-in-
19 come veteran families;

20 (v) the extent to which the applicant
21 has demonstrated that the supportive serv-
22 ices identified pursuant to subsection
23 (f)(2)(B)(iii) will be provided on a con-
24 sistent, long-term basis;

1 (vi) the extent to which the proposed
2 design of the housing will accommodate the
3 provision of supportive services that are ex-
4 pected to be needed, either initially or over
5 the useful life of the housing, by the very
6 low-income veterans the housing is in-
7 tended to serve;

8 (vii) the extent to which the applicant
9 has ensured that a service coordinator will
10 be employed or otherwise retained for the
11 housing, who has the managerial capacity
12 and responsibility for carrying out the ac-
13 tions described in clauses (i) and (ii) of
14 subsection (h)(2)(A); and

15 (viii) such other factors as the Sec-
16 retary determines to be appropriate to en-
17 sure that funds made available under this
18 section are used effectively;

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

1 (C) criteria appropriate to consider the
2 need for supportive housing for very low-income
3 veteran families in nonmetropolitan areas and
4 by Indian tribes.

5 (2) DELEGATED PROCESSING.—

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

17 (i) is in geographic proximity to the
18 property;

19 (ii) has demonstrated experience in
20 and capacity for underwriting multifamily
21 housing loans that provide housing and
22 supportive services;

23 (iii) may or may not be providing low-
24 income housing tax credits in combination

1 with the capital advance under this section;

2 and

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

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

13 (C) PROCESSING FEES.—An agency to
14 which review and processing is delegated pursu-
15 ant to subparagraph (A) may assess a reason-
16 able fee which shall be included in the capital
17 advance amounts and may recommend project
18 rental assistance amounts in excess of those ini-
19 tially awarded by the Secretary. The Secretary
20 shall develop a schedule for reasonable fees
21 under this subparagraph to be paid to delegated
22 processing agencies, which shall take into con-
23 sideration any other fees to be paid to the agen-
24 cy for other funding provided to the project by

1 the agency, including bonds, tax credits, and
2 other gap funding.

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

14 (h) PROVISION OF SUPPORTIVE SERVICES TO VET-
15 ERAN FAMILIES.—

16 (1) IN GENERAL.—The Secretary of Housing
17 and Urban Development shall coordinate with the
18 Secretary of Veterans Affairs to ensure that any
19 housing assistance provided to veterans or veteran
20 families includes a range of services tailored to the
21 needs of the very low-income veteran families occu-
22 pying such housing, which may include services
23 for—

24 (A) outreach;

- 1 (B) health (including counseling, mental
2 health, substance abuse, post-traumatic stress
3 disorder, and traumatic brain injury) diagnosis
4 and treatment;
- 5 (C) habilitation and rehabilitation;
- 6 (D) case management;
- 7 (E) daily living;
- 8 (F) personal financial planning;
- 9 (G) transportation;
- 10 (H) vocation;
- 11 (I) employment and training;
- 12 (J) education;
- 13 (K) assistance in obtaining veterans bene-
14 fits and public benefits;
- 15 (L) assistance in obtaining income support;
- 16 (M) assistance in obtaining health insur-
17 ance;
- 18 (N) fiduciary and representative payee;
- 19 (O) legal aid;
- 20 (P) child care;
- 21 (Q) housing counseling;
- 22 (R) service coordination; and
- 23 (S) other services necessary for maintain-
24 ing independent living.
- 25 (2) LOCAL COORDINATION OF SERVICES.—

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

7 (i) assess on an ongoing basis the
8 service needs of residents;

9 (ii) coordinate the provision of sup-
10 portive services and tailor such services to
11 the individual needs of residents; and

12 (iii) seek on a continuous basis new
13 sources of assistance to ensure the long-
14 term provision of supportive services.

15 (B) CLASSIFICATION OF COSTS.—Any cost
16 associated with this subsection relating to the
17 coordination of services shall be an eligible cost
18 under subsections (c)(3).

19 (i) DEVELOPMENT COST LIMITATIONS.—

20 (1) IN GENERAL.—The Secretary shall periodi-
21 cally establish reasonable development cost limita-
22 tions by market area for various types and sizes of
23 supportive housing for very low-income veteran fami-
24 lies by publishing a notice of the cost limitations in
25 the Federal Register.

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

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

8 (B) the cost of movables necessary to the
9 basic operation of the housing, as determined
10 by the Secretary;

11 (C) the cost of special design features nec-
12 essary to make the housing accessible to very
13 low-income veteran families;

14 (D) the cost of community space necessary
15 to accommodate the provision of supportive
16 services to veteran families;

17 (E) if the housing is newly constructed, the
18 cost of meeting the energy efficiency standards
19 promulgated by the Secretary in accordance
20 with section 109 of the Cranston-Gonzalez Na-
21 tional Affordable Housing Act (42 U.S.C.
22 12709); and

23 (F) the cost of land, including necessary
24 site improvement.

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

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

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

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

25 (A) the cost of acquiring such housing;

1 (B) the cost of rehabilitation, alteration,
2 conversion, or improvement, including the mod-
3 erate or substantial rehabilitation thereof; and

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

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

11 (8) INCENTIVES FOR SAVINGS.—

12 (A) SPECIAL HOUSING ACCOUNT.—

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

18 (ii) ACTUAL DEVELOPMENTAL COSTS
19 LESS THAN FINANCING.—Owners which
20 incur actual development costs that are
21 less than the amount of financing shall be
22 entitled to retain 50 percent of the savings
23 in a special housing account.

24 (iii) BONUS FOR ENERGY EFFI-
25 CIENCY.—The percentage established

1 under clause (ii) shall be increased to 75
2 percent for owners which add energy effi-
3 ciency features which—

4 (I) exceed the energy efficiency
5 standards promulgated by the Sec-
6 retary in accordance with section 109
7 of the Cranston-Gonzalez National Af-
8 fordable Housing Act (42 U.S.C.
9 12709);

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

12 (III) reduce gross rent require-
13 ments.

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

17 (i) to provide services to residents of
18 the housing or funds set aside for replace-
19 ment reserves; or

20 (ii) for such other purposes as deter-
21 mined by the Secretary.

22 (9) DESIGN FLEXIBILITY.—The Secretary shall,
23 to the extent practicable, give owners the flexibility
24 to design housing appropriate to their location and

1 proposed resident population within broadly defined
2 parameters.

3 (10) USE OF FUNDS FROM OTHER SOURCES.—

4 An owner shall be permitted voluntarily to provide
5 funds from sources other than this section for amen-
6 ities and other features of appropriate design and
7 construction suitable for supportive housing under
8 this section if the cost of such amenities is—

9 (A) not financed with the advance; and

10 (B) is not taken into account in deter-
11 mining the amount of Federal assistance or of
12 the rent contribution of tenants.

13 (j) TENANT SELECTION.—

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

16 (A) satisfactory to the Secretary and which
17 are—

18 (i) consistent with the purpose of im-
19 proving housing opportunities for very low-
20 income veteran families; and

21 (ii) reasonably related to program eli-
22 gibility and an applicant's ability to per-
23 form the obligations of the lease; and

24 (B) compliant with subtitle C of title VI of
25 the Housing and Community Development Act

1 of 1992 (42 U.S.C. 13601 et seq.) and any reg-
2 ulations issued under such subtitle.

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

6 (3) INFORMATION REGARDING HOUSING.—

7 (A) IN GENERAL.—The Secretary shall
8 provide, to the Secretary of Veterans Affairs
9 and the Secretary of Labor, information regard-
10 ing the availability of the housing assisted
11 under this section.

12 (B) SHARING OF INFORMATION WITH AD-
13 DITIONAL AGENCIES.—Within 30 days of re-
14 ceipt of the information, the Secretary of Vet-
15 erans Affairs and Secretary of Labor shall pro-
16 vide such information to agencies in the area of
17 the housing that receive assistance from the
18 Department of Veterans Affairs and the De-
19 partment of Labor for providing medical care,
20 housing, supportive services or employment and
21 training services to homeless veterans.

22 (k) MISCELLANEOUS PROVISIONS.—

23 (1) TECHNICAL ASSISTANCE.—The Secretary
24 shall make available appropriate technical assistance
25 to ensure that prospective applicants are able to par-

1 ticipate more fully in the program carried out under
2 this section.

3 (2) CIVIL RIGHTS COMPLIANCE.—Each owner
4 shall certify, to the satisfaction of the Secretary,
5 that assistance made available under this section will
6 be conducted and administered in conformity with
7 title VI of the Civil Rights Act of 1964 (42 U.S.C.
8 2000a et seq.), the Fair Housing Act (42 U.S.C.
9 3601 et seq.), and other Federal, State, and local
10 laws prohibiting discrimination and promoting equal
11 opportunity.

12 (3) OWNER DEPOSIT.—

13 (A) IN GENERAL.—The Secretary shall re-
14 quire an owner of housing, assisted under this
15 section, to deposit an amount not to exceed
16 \$15,000 in a special escrow account to ensure
17 the owner's commitment to the housing. Such
18 amount shall be used only to cover operating
19 deficits during the first three years of oper-
20 ations and shall not be used to cover construc-
21 tion shortfalls or inadequate initial project rent-
22 al assistance amounts.

23 (B) REDUCTION OF REQUIREMENT.—

24 (i) IN GENERAL.—The Secretary may
25 reduce or waive the owner deposit specified

1 under subparagraph (A) for individual ap-
2 plicants if the Secretary finds that such
3 waiver or reduction is necessary to achieve
4 the purposes of this section and the appli-
5 cant demonstrates to the satisfaction of
6 the Secretary that it has the capacity to
7 manage and maintain the housing in ac-
8 cordance with this section.

9 (ii) NONPROFITS.—The Secretary
10 may reduce or waive the requirement of
11 the owner deposit under subparagraph (A)
12 in the case of a nonprofit applicant that is
13 not affiliated with a national sponsor, as
14 determined by the Secretary.

15 (4) NOTICE OF APPEAL.—

16 (A) IN GENERAL.—The Secretary shall no-
17 tify an owner not less than 30 days prior to
18 canceling any reservation of assistance provided
19 under this section.

20 (B) APPEAL.—

21 (i) FILING DEADLINE.—During the
22 30-day period following the receipt of any
23 notice required under subparagraph (A),
24 an owner may appeal the proposed can-
25 cellation.

1 (ii) TIMING OF DECISION.—Any ap-
2 peal undertaken under clause (i), including
3 review by the Secretary, shall be completed
4 not later than 45 days after the appeal is
5 filed.

6 (5) LABOR.—

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

20 (B) EXEMPTION.—Subparagraph (A) shall
21 not apply to any individual who—

22 (i) performs services for which the in-
23 dividual volunteered;

24 (ii) does not receive compensation for
25 such services or is paid expenses, reason-

1 able benefits, or a nominal fee for such
2 services; and

3 (iii) is not otherwise employed at any
4 time in the construction work.

5 (6) ACCESS TO RESIDUAL RECEIPTS.—

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

18 (B) REPORT.—Any owner that uses resid-
19 ual receipts under this paragraph shall submit
20 to the Secretary a report, not less than annu-
21 ally, describing the uses of the residual receipts.

22 (C) DETERMINATION OF AMOUNT.—In de-
23 termining the amount of project rental assist-
24 ance to be provided to a project under sub-
25 section (c)(3) of this section, the Secretary may

1 take into consideration the residual receipts
2 held for the project only if, and to the extent
3 that, excess residual receipts are not used under
4 this paragraph.

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

11 (8) USE OF PROJECT RESERVES.—

12 (A) IN GENERAL.—Amounts for project re-
13 serves for a project assisted under this section
14 may be used for costs, subject to reasonable
15 limitations as the Secretary determines appro-
16 priate, for reducing the number of dwelling
17 units in the project.

18 (B) APPROVAL OF SECRETARY RE-
19 QUIRED.—Any use described in subparagraph
20 (A) of amounts for project reserves for a
21 project assisted under this section shall be sub-
22 ject to the approval of the Secretary to ensure
23 that such use is designed to retrofit units that
24 are currently obsolete or unmarketable.

1 (9) REPAYMENT OF ASSISTANCE AND PREVEN-
2 TION OF UNDUE BENEFITS.—

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

14 (i) In the case of a project that ceases
15 to be used for such supportive housing be-
16 fore the expiration of the 10-year period
17 beginning upon commencement of the op-
18 eration of the project, 100 percent.

19 (ii) In the case of a project that
20 ceases to be used for such supportive hous-
21 ing on or after the expiration of the 10-
22 year period beginning upon commencement
23 of the operation of the project, but before
24 the expiration of the 15-year period begin-
25 ning upon such commencement, 20 percent

1 of the assistance for each of the years dur-
2 ing such 15-year period for which the
3 project fails to provide permanent housing.

4 (B) PREVENTION OF UNDUE BENEFITS.—

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

21 (C) EXCEPTION.—A recipient, or a project
22 sponsor receiving funds from the recipient, shall
23 not be required to make repayments, and com-
24 ply with the terms and conditions, required
25 under subparagraph (A) or (B) if—

1 (i) the sale or disposition of the prop-
2 erty used for the project results in the use
3 of the property for the direct benefit of
4 very-low income persons;

5 (ii) all of the proceeds of the sale or
6 disposition are used to provide permanent
7 housing for very-low income veteran fami-
8 lies meeting the requirements of this sec-
9 tion;

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

21 (iv) there are no low-income veteran
22 families in the geographic area of the prop-
23 erty who meet the program criteria, in
24 which case the project may serve non-vet-
25 eran individuals and families having in-

1 comes described in subsection (1)(2) of this
2 section.

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

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

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

18 (2) VERY LOW-INCOME VETERAN FAMILY.—The
19 term “very low-income veteran family” means a vet-
20 eran family whose income does not exceed 50 per-
21 cent of the median income for the area, as deter-
22 mined by the Secretary with adjustments for smaller
23 and larger families, except that the Secretary may
24 establish an income ceiling higher or lower than 50
25 percent of the median for the area on the basis of

1 the Secretary's findings that such variations are nec-
2 essary because of prevailing levels of construction
3 costs or fair market rents (as determined under sec-
4 tion 8 of the United States Housing Act of 1937 (42
5 U.S.C. 1437f)), or unusually high or low family in-
6 comes.

7 (3) OWNER.—The term “owner” means a pri-
8 vate nonprofit organization or consumer cooperative
9 that receives assistance under this section to develop
10 and operate supportive housing for very low-income
11 veteran families.

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

14 (A) any incorporated private institution or
15 foundation—

16 (i) no part of the net earnings of
17 which inures to the benefit of any member,
18 founder, contributor, or individual;

19 (ii) which has a governing board that
20 is responsible for the operation of the
21 housing assisted under this section; and

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

24 (B) a for-profit limited partnership the
25 sole or managing general partner of which is an

1 organization meeting the requirements under
2 clauses (i), (ii), and (iii) of subparagraph (A) or
3 a corporation meeting the requirements of sub-
4 subparagraph (C);

5 (C) a corporation wholly owned and con-
6 trolled by an organization meeting the require-
7 ments under clauses (i), (ii), and (iii) of sub-
8 subparagraph (A); and

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

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

16 (6) STATE.—The term “State” includes the
17 several States, the District of Columbia, the Com-
18 monwealth of Puerto Rico, and the possessions of
19 the United States.

20 (7) SUPPORTIVE HOUSING FOR VERY LOW-IN-
21 COME VETERAN FAMILIES.—The term “supportive
22 housing for very low-income veteran families” means
23 housing that is designed to accommodate the provi-
24 sion of supportive services that are expected to be
25 needed, either initially or over the useful life of the

1 housing, by the veteran families that the housing is
2 intended to serve.

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

6 (9) VETERAN FAMILY.—The term “veteran
7 family” includes a veteran who is a single person, a
8 family (including families with children) whose head
9 of household (or whose spouse) is a veteran, and one
10 or more veterans living together with 1 or more per-
11 sons.

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

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

17 (2) CAPITAL ADVANCES.—Such sums as may be
18 necessary shall be available for capital advances in
19 accordance with subsection (c)(2).

20 (3) PROJECT RENTAL ASSISTANCE.—Such sums
21 as may be necessary shall be available for project
22 rental assistance in accordance with subsection
23 (c)(3).

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

4 (n) AUTHORIZATION OF APPROPRIATIONS FOR
5 HOUSING ASSISTANCE.—There is authorized to be appro-
6 priated for assistance under this section \$200,000,000 for
7 fiscal year 2009 and such sums as may be necessary for
8 each fiscal year thereafter.

9 **SEC. 4. HOUSING CHOICE VOUCHERS FOR HOMELESS VET-**
10 **ERANS.**

11 Section 8(o)(19) of the United States Housing Act
12 of 1937 (42 U.S.C. 1437f(o)) is amended to read as fol-
13 lows:

14 “(19) RENTAL VOUCHERS FOR HOMELESS VET-
15 ERANS.—

16 “(A) ADDITIONAL VOUCHERS.—In addition
17 to any amount made available for rental assist-
18 ance under this subsection, the Secretary shall
19 make available the amount specified in subpara-
20 graph (B), for use only for providing rental as-
21 sistance for homeless veterans in conjunction
22 with the Secretary of Veterans Affairs.

23 “(B) AMOUNT.—The amount specified in
24 this subparagraph is, for each fiscal year, the
25 amount necessary to provide not fewer than

1 20,000 vouchers for rental assistance under this
2 subsection.

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

12 “(i) eligibility for continued assistance
13 under this paragraph; or

14 “(ii) continued occupancy in the
15 dwelling unit in which such family is resid-
16 ing using such assistance at the time of
17 such death.

18 “(D) FUNDING.—The budget authority
19 made available under any other provisions of
20 law for rental assistance under this subsection
21 for fiscal year 2009 and each fiscal year there-
22 after is authorized to be increased in each such
23 fiscal year by such sums as may be necessary
24 to provide the number of vouchers specified in
25 subparagraph (B) for such fiscal year.”.

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

2 (a) PUBLIC HOUSING AGENCY PLANS.—Section
3 5A(d)(1) of the United States Housing Act of 1937 (42
4 U.S.C. 1437e–1(d)(1)) is amended by striking “and dis-
5 abled families” and inserting “, disabled families, and vet-
6 erans (as such term is defined in section 101 of title 38,
7 United States Code)”.

8 (b) COMPREHENSIVE HOUSING AFFORDABILITY
9 STRATEGIES.—

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

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

17 (B) in subsection (b)(20), by striking “and
18 service” and inserting “veterans service, and
19 other service”; and

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

24 (2) CONSOLIDATED PLANS.—The Secretary of
25 Housing and Urban Development shall revise the
26 regulations relating to submission of consolidated

1 plans (part 91 of title 24, Code of Federal Regula-
2 tions) in accordance with the amendments made by
3 paragraph (1) of this subsection to require inclusion
4 of appropriate information relating to veterans and
5 veterans service agencies in all such plans.

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

8 (a) **IN GENERAL.**—Notwithstanding any other provi-
9 sion of law, for purposes of determining the amount of
10 rent paid by a family for occupancy of a dwelling unit as-
11 sisted under a federally assisted housing program under
12 subsection (b) or in housing assisted under any other fed-
13 erally assisted housing program, the income and the ad-
14 justed income of the family shall not be considered to in-
15 clude any amounts received by any member of the family
16 from the Secretary of Veterans Affairs as—

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

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

21 (b) **FEDERALLY ASSISTED HOUSING PROGRAM.**—
22 The federally assisted housing programs under this sub-
23 section are—

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

4 (2) the tenant-based rental assistance program
5 under section 8 of the United States Housing Act of
6 1937 (42 U.S.C. 1437f), including the program
7 under subsection (o)(19) of such section for housing
8 rental vouchers for low-income veteran families;

9 (3) the project-based rental assistance program
10 under section 8 of the United States Housing Act of
11 1937 (42 U.S.C. 1437f);

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

16 (5) the supportive housing for the elderly pro-
17 gram under section 202 of the Housing Act of 1959
18 (12 U.S.C. 1701q);

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

23 (7) the supportive housing for the homeless pro-
24 gram under subtitle C of title IV of the McKinney-

1 Vento Homeless Assistance Act (42 U.S.C. 11381 et
2 seq.);

3 (8) the program for moderate rehabilitation of
4 single room occupancy dwellings for occupancy by
5 the homeless under section 441 of the McKinney-
6 Vento Homeless Assistance Act (42 U.S.C. 11401);

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

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

13 (11) the rental assistance payments program
14 under section 521(a)(2)(A) of the Housing Act of
15 1949 (42 U.S.C. 1490a(a)(2)(A));

16 (12) the rental assistance program under sec-
17 tion 236 of the National Housing Act (12 U.S.C.
18 1715z-1);

19 (13) the rural housing programs under section
20 515 and 538 of the Housing Act of 1949 (42 U.S.C.
21 1485, 1490p-2);

22 (14) the HOME investment partnerships pro-
23 gram under title II of the Cranston-Gonzalez Na-
24 tional Affordable Housing Act (42 U.S.C. 12721 et
25 seq.);

1 (15) the block grant programs for affordable
2 housing for Native Americans and Native Hawaiians
3 under titles I through IV and VIII of the Native
4 American Housing Assistance and Self-Determina-
5 tion Act of 1996 (25 U.S.C. 4111 et seq., 4221 et
6 seq.); and

7 (16) any other program for housing assistance
8 administered by the Secretary of Housing and
9 Urban Development or the Secretary of Agriculture
10 under which eligibility for occupancy in the housing
11 assisted or for housing assistance is based upon in-
12 come.

13 **SEC. 7. TECHNICAL ASSISTANCE GRANTS FOR HOUSING AS-**
14 **SISTANCE FOR VETERANS.**

15 (a) IN GENERAL.—The Secretary of Housing and
16 Urban Development shall, to the extent amounts are made
17 available in appropriation Acts for grants under this sec-
18 tion, make grants to eligible entities under subsection (b)
19 to provide to nonprofit organizations technical assistance
20 appropriate to assist such organizations in—

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

1 shall submit a report on the activities of the Department
2 of Housing and Urban Development relating to veterans
3 during such year to the following:

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

6 (2) The Committee on Veterans' Affairs of the
7 Senate.

8 (3) The Committee on Appropriations of the
9 Senate.

10 (4) The Committee on Financial Services of the
11 House of Representatives.

12 (5) The Committee on Veterans' Affairs of the
13 House of Representatives.

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

16 (7) The Secretary of Veterans Affairs.

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

20 (1) The number of very low-income veteran
21 families provided assistance under the program of
22 supportive housing for very low-income veteran fami-
23 lies under section 3, the socioeconomic characteris-
24 tics of such families, the types of assistance provided

1 such families, and the number, types, and locations
2 of owners of housing assisted under such section.

3 (2) The number of homeless veterans provided
4 assistance under the program of housing choice
5 vouchers for homeless veterans under section
6 8(o)(19) of the United States Housing Act of 1937
7 (42 U.S.C. 1437f(o)(19)) (as amended by section 4),
8 the socioeconomic characteristics of such homeless
9 veterans, and the number, types, and locations of en-
10 tities contracted under such section to administer
11 the vouchers.

12 (3) A summary description of the special con-
13 siderations made for veterans under public housing
14 agency plans submitted pursuant to section 5A of
15 the United States Housing Act of 1937 (42 U.S.C.
16 1437c-1) and under comprehensive housing afford-
17 ability strategies submitted pursuant to section 105
18 of the Cranston-Gonzalez National Affordable Hous-
19 ing Act (42 U.S.C. 12705).

20 (4) A description of the technical assistance
21 provided to organizations pursuant to grants under
22 section 7.

23 (5) A description of the activities of the Special
24 Assistant for Veterans Affairs.

1 (6) A description of the efforts of the Depart-
2 ment of Housing and Urban Development to coordi-
3 nate the delivery of housing and services to veterans
4 with other Federal departments and agencies, in-
5 cluding the Department of Defense, Department of
6 Justice, Department of Labor, Department of
7 Health and Human Services, Department of Vet-
8 erans Affairs, Interagency Council on Homelessness,
9 and the Social Security Administration.

10 (7) The cost to the Department of Housing and
11 Urban Development of administering the programs
12 and activities relating to veterans.

13 (8) Any other information that the Secretary
14 considers relevant in assessing the programs and ac-
15 tivities of the Department of Housing and Urban
16 Development relating to veterans.

17 (c) ASSESSMENT OF HOUSING NEEDS OF VERY LOW-
18 INCOME VETERAN FAMILIES.—

19 (1) IN GENERAL.—For the first report sub-
20 mitted pursuant to subsection (a) and every fifth re-
21 port thereafter, the Secretary of Housing and Urban
22 Development shall—

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

1 (B) shall include in each such report find-
2 ings regarding such assessment.

3 (2) CONTENT.—Each assessment under this
4 subsection shall include—

5 (A) conducting a survey of, and direct
6 interviews with, a representative sample of very
7 low-income veteran families (as such term is de-
8 fined in section 3) to determine past and cur-
9 rent—

10 (i) socioeconomic characteristics of
11 such veteran families;

12 (ii) barriers to such veteran families
13 obtaining safe, quality, and affordable
14 housing;

15 (iii) levels of homelessness among
16 such veteran families; and

17 (iv) levels and circumstances of, and
18 barriers to, receipt by such veteran families
19 of rental housing and homeownership as-
20 sistance; and

21 (B) such other information that the Sec-
22 retary determines, in consultation with the Sec-
23 retary of Veterans Affairs and national non-
24 governmental organizations concerned with vet-

1 erans, homelessness, and very low-income hous-
2 ing, may be useful to the assessment.

3 (3) CONDUCT.—If the Secretary contracts with
4 an entity other than the Department of Housing and
5 Urban Development to conduct the assessment
6 under this subsection, such entity shall be a non-
7 governmental organization determined by the Sec-
8 retary to have appropriate expertise in quantitative
9 and qualitative social science research.

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

○