

103^D CONGRESS
1ST SESSION

H. R. 2517

AN ACT

To establish certain programs and demonstrations to assist States and communities in efforts to relieve homelessness, assist local community development organizations, and provide affordable rental housing for low-income families, and for other purposes.

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To establish certain programs and demonstrations to assist States and communities in efforts to relieve homelessness, assist local community development organizations, and provide affordable rental housing for low-income families, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homeless and Commu-
5 nity Development Amendments Act of 1993”.

1 **SEC. 2. INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM.**
2

3 (a) IN GENERAL.—Subtitle E of title IV of the Stew-
4 art B. McKinney Homeless Assistance Act is amended by
5 adding after section 443 (42 U.S.C. 11402) the following
6 new section:

7 **“SEC. 444. INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM.**
8

9 “(a) ESTABLISHMENT OF DEMONSTRATION.—The
10 Secretary shall carry out a demonstration under this sec-
11 tion under which the Secretary may provide financial and
12 technical assistance—

13 “(1) to metropolitan cities, urban counties,
14 units of general local government, Indian tribes, and
15 private nonprofit organizations to demonstrate the
16 desirability and feasibility of carrying out projects
17 and activities that implement a work plan that pro-
18 vides for a continuum of care for homeless persons
19 under subsection (c); and

20 “(2) to States, units of general local govern-
21 ment, Indian tribes, and private nonprofit organiza-
22 tions to demonstrate the feasibility and desirability
23 of carrying out innovative programs to assist home-
24 less individuals under subsection (d).

25 “(b) GENERAL PROVISIONS.—

1 “(1) DEFINITIONS.—For purposes of this sec-
2 tion:

3 “(A) The terms ‘State’, ‘metropolitan city’,
4 ‘urban county’, ‘unit of general local govern-
5 ment’, ‘Secretary’, and ‘Indian tribe’ have the
6 meanings given such terms in section 102(a) of
7 the Housing and Community Development Act
8 of 1974.

9 “(B) The term ‘private nonprofit organiza-
10 tion’ has the meaning given such term in sec-
11 tion 422 of the Stewart B. McKinney Homeless
12 Assistance Act.

13 “(C) The term ‘homeless individual’ has
14 the meaning given such term in section 103 of
15 the Stewart B. McKinney Homeless Assistance
16 Act.

17 “(2) FUNDING.—To such extent or in such
18 amounts as have been provided in appropriation
19 Acts for fiscal year 1994, \$150,000,000 shall be
20 available to the Secretary to carry out the dem-
21 onstration under this section in such fiscal year, of
22 which—

23 “(A) \$50,000,000 shall be from any
24 amounts made available to carry out the shelter

1 plus care program under subtitle F of this title
2 in such fiscal year;

3 “(B) \$40,000,000 shall be from any
4 amounts made available to carry out the sup-
5 portive housing program under subtitle C of
6 this title in such fiscal year;

7 “(C) \$25,000,000 shall be from any
8 amounts made available to carry out the
9 HOME Investment Partnerships Act in such
10 fiscal year;

11 “(D) \$25,000,000 shall be from any
12 amounts made available to carry out the com-
13 munity development block grants program
14 under title I of the Housing and Community
15 Development Act of 1974 in such fiscal year;
16 and

17 “(E) \$10,000,000 shall be from any
18 amounts made available under section 402 of
19 the Cranston-Gonzalez National Affordable
20 Housing Act to carry out the HOPE home-own-
21 ership programs in such fiscal year.

22 Of any amounts made available to carry out the
23 demonstration under this section, 50 percent shall
24 be available for assistance under subsection (c) and

1 50 percent shall be available for assistance under
2 subsection (d).

3 “(c) HOMELESS CRISIS FUNDING.—

4 “(1) DESIGNATION.—The Secretary shall des-
5 ignate such metropolitan cities, urban counties, units
6 of general local government (including units in rural
7 areas), and Indian tribes as areas eligible for assist-
8 ance under this subsection, as the Secretary may de-
9 termine. The Secretary shall establish criteria for
10 making such designations, which shall at a minimum
11 include—

12 “(A) the extent of unmet need of homeless
13 individuals in the jurisdiction, including those
14 who are wholly without adequate shelter of any
15 kind;

16 “(B) the gap between the jurisdiction’s ex-
17 isting system of assisting homeless persons and
18 the continuum of care model described in para-
19 graph (2);

20 “(C) the degree of cooperation between the
21 jurisdiction and nonprofit homeless service pro-
22 viders;

23 “(D) the degree to which private nonprofit
24 and for-profit entities express willingness to

1 make financial and other commitments to the
2 jurisdiction's homeless assistance efforts; and

3 "(E) national geographic diversity in the
4 designation of jurisdictions.

5 After selecting areas for designation under this
6 paragraph but before designating such areas, the
7 Secretary shall consult with the Committee on Bank-
8 ing, Finance and Urban Affairs of the House of
9 Representatives and the Committee on Banking,
10 Housing, and Urban Affairs of the Senate regarding
11 such designations.

12 "(2) WORK PLAN.—To receive assistance under
13 this subsection within a designated jurisdiction, the
14 jurisdiction or a private nonprofit organization shall
15 submit to the Secretary a work plan that shall, at
16 a minimum—

17 "(A) describe existing conditions for home-
18 less persons and families throughout the juris-
19 diction;

20 "(B) set forth a realistic and feasible strat-
21 egy that contains specific projects and activities
22 resulting in a continuum of care for the juris-
23 diction's homeless persons and targets, goals,
24 and strategies for implementation and comple-
25 tion of such projects and activities;

1 “(C) be prepared with appropriate coopera-
2 tion from affected governments and government
3 agencies, private nonprofit organizations, and
4 contributing for-profit entities;

5 “(D) specify those projects and activities
6 for which the jurisdiction requests funding from
7 the Secretary under this subsection and the
8 amounts thereby requested; and

9 “(E) specify courses, amounts, and time-
10 tables for the financing of other projects and
11 activities.

12 “(3) DESIGNATION.—The designation referred
13 to in paragraph (1) and assistance provided under
14 this subsection shall be made on a noncompetitive
15 basis.

16 “(d) INNOVATIVE PROJECT FUNDING.—

17 “(1) AUTHORITY.—The Secretary is authorized
18 to provide assistance under this subsection to States,
19 units of general local government (including units in
20 rural areas), Indian tribes, and private nonprofit or-
21 ganizations for assistance for innovative programs to
22 assist homeless individuals.

23 “(2) APPLICATIONS.—Applications for assist-
24 ance under this subsection shall be in such form,
25 and shall include such information, as the Secretary

1 shall determine. Each application shall contain, at a
2 minimum—

3 “(A) a description of the existing condi-
4 tions for homeless individuals in the jurisdic-
5 tion;

6 “(B) an explanation of how the proposed
7 project will further the efforts of the jurisdic-
8 tion to meet the housing and supportive services
9 needs of homeless individuals through an inte-
10 grated and coordinated system;

11 “(C) evidence that the application has been
12 prepared in coordination with appropriate gov-
13 ernmental entities, private nonprofit organiza-
14 tions, and for-profit entities; and

15 “(D) a description of the projects and ac-
16 tivities for which the applicant is requesting
17 funding under this subsection and the amounts
18 requested.

19 “(3) CRITERIA.—The Secretary shall establish
20 selection criteria for awarding assistance under this
21 subsection, which shall include, at a minimum—

22 “(A) the extent of the commitment of the
23 applicant to alleviating poverty and homeless-
24 ness;

1 “(B) the extent of the applicant’s continu-
2 ing capacity to effectively provide assistance to
3 homeless individuals;

4 “(C) the extent to which the project or ac-
5 tivity is innovative and may be replicable or
6 serve as a model for implementation in other
7 jurisdictions; and

8 “(D) diversity by geography and commu-
9 nity type.

10 “(4) APPROACH.—Assistance under this sub-
11 section may be used to provide innovative ap-
12 proaches for, or alternative means of, meeting the
13 immediate long-term needs of homeless individuals
14 by assisting—

15 “(A) the purchase, lease, renovation, oper-
16 ation, or conversion of facilities to assist the
17 homeless, which facilities shall be safe and sani-
18 tary and, when appropriate, meet all applicable
19 State and local housing and building codes and
20 licensing requirements;

21 “(B) the provision of supportive services
22 for the homeless; and

23 “(C) such other activities as the Secretary
24 may prescribe.

1 “(5) REQUIREMENTS.—The Secretary shall es-
2 tablish requirements for assistance under this
3 subsection, which may include limitations on
4 administrative expenses, terms of renewal funding
5 for short-term lease projects, and requirements for
6 repayment of assistance under this subsection when
7 the project ceases to be used to assist the homeless
8 in accordance with the provision of this subsection.

9 “(e) REPORTS.—The Secretary shall submit an an-
10 nual report to the Congress for each fiscal year in which
11 the Secretary provides assistance under the demonstration
12 under this section. The reports shall describe the activities
13 carried out with assistance under the demonstration and
14 set forth any findings and recommendations of the Sec-
15 retary as a result of the demonstration. Each such report
16 shall be submitted not later than the expiration of the 3-
17 month period beginning upon the conclusion of the fiscal
18 year for which the report is made.”.

19 (b) CLERICAL AMENDMENT.—The table of contents
20 in section 101(b) of the Stewart B. McKinney Homeless
21 Assistance Act is amended by inserting after the item re-
22 lating to section 443 the following new item:

 “Sec. 444. Innovative Homeless Initiatives Demonstration Program.”.

23 **SEC. 3. MOVING TO OPPORTUNITY FOR FAIR HOUSING.**

24 Section 152(e) of the Housing and Community Devel-
25 opment Act of 1992 (42 U.S.C. 1437f note) is amended—

1 (1) in the first sentence, by striking
2 “\$52,100,000” and inserting “\$165,000,000”; and

3 (2) by adding at the end the following new sen-
4 tence: “No amounts appropriated for fiscal year
5 1994 to carry out the demonstration under this sec-
6 tion may be obligated to any public housing agency
7 or expended before the Secretary submits to the
8 Congress a report describing how amounts made
9 available for the demonstration in fiscal year 1993
10 were allocated and expended and containing the in-
11 formation required in interim reports under sub-
12 section (d)(1), to the extent such information is
13 available to the Secretary.”.

14 **SEC. 4. ASSISTANCE FOR LOCAL COMMUNITY DEVELOP-**
15 **MENT ORGANIZATIONS.**

16 (a) **AUTHORITY.**—The Secretary of Housing and
17 Urban Development may provide assistance under this
18 section to the National Community Development Initiative
19 for making grants under this section to community devel-
20 opment support organizations for such organizations to
21 assist local community development organizations in in-
22 creasing their technical and administrative capacities and
23 carrying out community development projects and activi-
24 ties and developing affordable housing, and to provide

1 technical and predevelopment assistance relating to such
2 community development and housing projects.

3 (b) ASSISTANCE TO LOCAL COMMUNITY DEVELOP-
4 MENT ORGANIZATIONS.—A community development sup-
5 port organization that receives a grant under this section
6 shall use any such amounts to carry out the following ac-
7 tivities and provide the following assistance:

8 (1) CAPACITY BUILDING.—Providing training,
9 education, support, and advice to local community
10 development organizations to enhance the technical
11 and administrative capabilities of such organizations
12 to conduct activities under paragraphs (2) and (3)
13 and providing amounts for such organizations to ob-
14 tain such capacity building assistance, which may in-
15 clude assistance to the staff, management, directors,
16 and members of such organizations regarding legal,
17 financial, construction, engineering, property man-
18 agement, and other matters.

19 (2) COMMUNITY DEVELOPMENT AND HOUSING
20 ACTIVITIES.—Providing amounts (through loans and
21 grants) and other assistance for local community de-
22 velopment organizations to carry out community de-
23 velopment activities that benefit low-income families
24 and activities to develop and support affordable
25 housing, which may include providing financing for

1 rehabilitating, constructing, acquiring, and maintain-
2 ing affordable housing.

3 (3) PROJECT-RELATED PREDEVELOPMENT AS-
4 SISTANCE.—Providing technical assistance and
5 amounts to local community development organiza-
6 tions for predevelopment activities relating to spe-
7 cific projects under paragraph (2), which may in-
8 clude conducting project feasibility analyses, obtain-
9 ing project consultants, preparing preliminary fi-
10 nancing applications, obtaining legal, architectural,
11 and engineering assistance, site acquisition, and title
12 clearance.

13 (4) OTHER ACTIVITIES.—Other activities, as
14 determined by the National Community Develop-
15 ment Initiative in consultation with the Secretary.

16 (c) PROHIBITION OF USE OF GRANT AMOUNTS FOR
17 SUPPORT ORGANIZATION ADMINISTRATIVE COSTS.—No
18 amounts from a grant under this section may be used for
19 administrative costs of a community development support
20 organization.

21 (d) REQUIREMENTS.—The National Community De-
22 velopment Initiative may make grants under this section
23 only to community development support organizations
24 that—

1 (1) submit to the Secretary an application that
2 contains—

3 (A) a request for a grant under this sec-
4 tion that specifies the amount of the assistance
5 requested;

6 (B) a description of the method by which
7 the community development support organiza-
8 tion will select local community development or-
9 ganizations to assist;

10 (C) specification of the intended bene-
11 ficiaries of assistance provided by the commu-
12 nity development support organization;

13 (D) measurable goals by which to deter-
14 mine the effectiveness of the use of the grant
15 amounts; and

16 (E) such other information as the Sec-
17 retary may require;

18 (2) are selected by the Secretary under sub-
19 section (f); and

20 (3) agree to comply with the provisions of this
21 section and provide assistance in the manner de-
22 scribed in the application of the organization ap-
23 proved by the Secretary.

24 (e) MATCHING REQUIREMENT.—

1 (1) IN GENERAL.—The Secretary may not pro-
2 vide any assistance to the National Community De-
3 velopment Initiative from amounts made available
4 for this section unless the Secretary determines that
5 an amount equal to 3 times the amount to be pro-
6 vided by the Secretary has been made available to
7 the National Community Development Initiative
8 from private foundations and corporations for use
9 with grant amounts for the purposes under sub-
10 section (b).

11 (2) UNUSED AMOUNTS.—Any amounts appro-
12 priated to carry out this section for a fiscal year
13 which may not be used because matching amounts
14 pursuant to paragraph (1) have not been made
15 available in the year, shall be available or committed
16 on October 1 of the next fiscal year for the purposes
17 under paragraph (1) or (2) of section 205 of the
18 Cranston-Gonzalez National Affordable Housing
19 Act, in the discretion of the Secretary.

20 (f) SELECTION.—

21 (1) IN GENERAL.—The Secretary shall select
22 community development support organizations for
23 grants under this section from among organizations
24 submitting applications under subsection (d)(1).

1 (2) CRITERIA.—The Secretary shall make selec-
2 tions under paragraph (1) based on the information
3 contained in the applications, the capacity and expe-
4 rience of such organizations to provide training, sup-
5 port, advice, and assistance to local community de-
6 velopment organizations, and such other criteria as
7 the Secretary shall establish.

8 (3) CONSULTATION.—In establishing the con-
9 tent of the criteria under paragraph (2), the relative
10 weight to be given to the various criteria, and the
11 process under this subsection for selection of the ap-
12 plications for grants under this section, the Sec-
13 retary shall consult with the National Community
14 Development Initiative and the members of such Ini-
15 tiative.

16 (g) REPORTS.—

17 (1) GAO.—Not later than 3 years after the
18 date of the enactment of this section, the Comptrol-
19 ler General of the United States shall submit a re-
20 port to the Congress describing the effectiveness of
21 the use, by community development support organi-
22 zations and local community development organiza-
23 tions, of amounts from grants under this section.

24 (2) SECRETARY.—Not later than 15 months
25 after the date that amounts made available pursuant

1 to subsection (i)(1) are first disbursed to the Na-
2 tional Community Development Initiative, and annu-
3 ally thereafter for 3 years, the Secretary shall sub-
4 mit a report to the Congress describing the activities
5 carried out by community development support orga-
6 nizations and local community development organi-
7 zations with amounts provided under this section
8 and matching amounts, the effectiveness of such ac-
9 tivities, and any other findings of the Secretary as
10 a result of assistance provided under this section.

11 (h) DEFINITIONS.—For purposes of this section:

12 (1) DISTRESSED AREA.—The term “distressed
13 area” means an area in which the percentage of the
14 families residing in the area that are low-income
15 families is substantially higher than such percentage
16 for the region in which the area is located, or that
17 possesses other characteristics indicating a need for
18 housing or community development assistance, as
19 determined by the community development support
20 organizations.

21 (2) GRANT.—The term “grant under this sec-
22 tion” means a grant with assistance provided under
23 subsection (a) by the Secretary from amounts appro-
24 priated pursuant to subsection (i)(1). Such term
25 does not include assistance provided with any

1 amounts made available by private foundations and
2 corporations pursuant to the requirement under sub-
3 section (e).

4 (3) LOCAL COMMUNITY DEVELOPMENT ORGANI-
5 ZATIONS.—The term “local community development
6 organization” means a nonprofit organization—

7 (A) that has among its principal purposes
8 the provision of affordable housing in a dis-
9 tressed area or conducting community develop-
10 ment activities that primarily benefit low-in-
11 come families in a distressed area; and

12 (B) whose governing board is comprised of
13 business, civic, and community leaders and resi-
14 dents of the distressed area in which the orga-
15 nization carries out its activities.

16 The term includes community development corpora-
17 tions and community housing development organiza-
18 tions (as such term is defined in section 104 of the
19 Cranston-Gonzalez National Affordable Housing
20 Act).

21 (4) COMMUNITY DEVELOPMENT SUPPORT OR-
22 GANIZATION.—The term “community development
23 support organization” means a nonprofit organiza-
24 tion funded by the National Community Develop-
25 ment Initiative that—

1 (A) has among its principal purposes pro-
2 viding assistance throughout the United States
3 to local community development organizations
4 to facilitate such local organizations' activities
5 to develop or maintain affordable housing or re-
6 vitalize distressed communities;

7 (B) has demonstrated experience and abil-
8 ity in providing a range of assistance to local
9 community development organizations, which
10 may include financing, technical assistance,
11 construction activities, property management,
12 and training; and

13 (C) meets standards of fiscal responsibility
14 established by the Secretary.

15 (i) FUNDING.—

16 (1) IN GENERAL.—Amounts made available for
17 carrying out the HOME Investment Partnerships
18 Act for fiscal year 1994 shall be made available for
19 use under this section to such extent or in such
20 amounts as are provided in appropriation Acts, ex-
21 cept that the amount so made available for use
22 under this section may not exceed \$25,000,000.

23 (2) COMMUNITY HOUSING PARTNERSHIP AC-
24 TIVITIES.—Section 205(1) of the Cranston-Gonzalez
25 National Affordable Housing Act (42 U.S.C.

1 12724(1)) is amended by striking “\$14,000,000”
2 the second place it appears and inserting
3 “\$25,000,000”.

Passed the House of Representatives June 29, (leg-
islative day, June 28), 1993.

Attest:

Clerk.

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