

104TH CONGRESS
2D SESSION

H. R. 3347

To amend the Stewart B. McKinney Homeless Assistance Act to revise and extend programs providing urgently needed assistance for the homeless, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 1996

Mr. VENTO (for himself, Mr. Gonzalez, and Mr. Kennedy of Massachusetts) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Stewart B. McKinney Homeless Assistance Act to revise and extend programs providing urgently needed assistance for the homeless, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Stewart B. McKinney Homeless Assistance Amendments
6 Act of 1996”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Budget compliance.

TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS

Sec. 201. Authorization of appropriations.

Sec. 202. Chairperson.

Sec. 203. Extension.

TITLE III—FEDERAL EMERGENCY MANAGEMENT AGENCY FOOD AND SHELTER PROGRAM

Sec. 301. Authorization of appropriations.

TITLE IV—HOUSING ASSISTANCE

Sec. 401. Short title.

Subtitle A—Reorganization of Certain McKinney Act Housing Provisions

Sec. 411. Flexible grant program.

Sec. 412. Regulations and transition provisions.

Sec. 413. Report on single room occupancy assistance.

Subtitle B—Other Housing Assistance Programs for the Homeless Under McKinney Act

Sec. 421. Section 8 assistance for single room occupancy dwellings.

Sec. 422. Section 8 assistance for shelter plus care single room occupancy dwellings.

Sec. 423. Rural homelessness grant program.

Sec. 424. Clerical amendment.

Subtitle C—Miscellaneous Homeless Housing Provisions

Sec. 431. Strategy to eliminate unfit transient facilities.

1 TITLE I—GENERAL PROVISIONS

2 SEC. 101. BUDGET COMPLIANCE.

3 (a) IN GENERAL.—This Act and the amendments
4 made by this Act may not be construed to provide for new
5 budget authority, budget outlays, or new entitlement au-
6 thority, for fiscal year 1997, 1998, 1999, 2000, or 2001
7 in excess of the appropriate aggregate levels established
8 by the concurrent resolution on the budget for such years

1 for the programs authorized by this Act and the amend-
2 ments made by this Act.

3 (b) DEFINITIONS.—For purposes of this section, the
4 terms “budget authority”, “budget outlays”, “concurrent
5 resolution on the budget”, and “entitlement authority”
6 have the meanings given such terms in section 3 of the
7 Congressional Budget Act of 1974.

8 **TITLE II—INTERAGENCY**
9 **COUNCIL ON THE HOMELESS**

10 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 208 of the Stewart B. McKinney Homeless
12 Assistance Act (42 U.S.C. 11318) is amended to read as
13 follows:

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

15 “There are authorized to be appropriated to carry out
16 this title \$1,000,000 for fiscal year 1997 and such sums
17 as may be necessary for each of fiscal years 1998, 1999,
18 2000, and 2001.”.

19 **SEC. 202. CHAIRPERSON.**

20 Section 202(b) of the Stewart B. McKinney Homeless
21 Assistance Act (42 U.S.C. 11312(b)) is amended to read
22 as follows:

23 “(b) CHAIRPERSON AND VICE CHAIRPERSON.—

24 “(1) CHAIRPERSON.—The Council shall elect an
25 Chairperson from among its members, who shall

1 have a term of 2 years. A member of the Council by
2 reason of any of paragraphs (1) through (16) of
3 subsection (a) who serves as Chairperson for a term
4 may not be elected to serve as Chairperson for the
5 succeeding term. The preceding sentence shall not
6 apply to any member serving as Chairperson on the
7 date of the enactment of the Stewart B. McKinney
8 Homeless Assistance Amendments Act of 1996.

9 “(2) VICE CHAIRPERSON.—The Vice Chair-
10 person of the Council shall have a term of 2 years
11 and shall be—

12 “(A) the Secretary of Housing and Urban
13 Development, if such Secretary is not elected as
14 the Chairperson of the Council; or

15 “(B) elected by the Council from among its
16 members, if the Secretary of Housing and
17 Urban Development is elected as the Chair-
18 person of the Council.”.

19 **SEC. 203. EXTENSION.**

20 Section 209 of the Stewart B. McKinney Homeless
21 Assistance Act (42 U.S.C. 11319) is amended by striking
22 “October 1, 1994” and inserting “October 1, 2001”.

1 **TITLE III—FEDERAL EMER-**
2 **GENCY MANAGEMENT AGEN-**
3 **CY FOOD AND SHELTER PRO-**
4 **GRAM**

5 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

6 Section 322 of the Stewart B. McKinney Homeless
7 Assistance Act (42 U.S.C. 11352) is amended to read as
8 follows:

9 **“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

10 “There are authorized to be appropriated to carry out
11 this title \$130,000,000 for fiscal year 1997 and such sums
12 as may be necessary for each of fiscal years 1998, 1999,
13 2000, and 2001.”.

14 **TITLE IV—HOUSING ASSISTANCE**

15 **SEC. 401. SHORT TITLE.**

16 This title may be cited as the “Stewart B. McKinney
17 Homeless Housing Assistance Amendments Act of 1996”.

18 **Subtitle A—Reorganization of Certain**
19 **McKinney Act Housing Provisions**

20 **SEC. 411. FLEXIBLE GRANT PROGRAM.**

21 Title IV of the Stewart B. McKinney Homeless As-
22 sistance Act (42 U.S.C. 11361 et seq.) is amended—

23 (1) by striking subtitles A, B, C, D, and F;

24 (2) by striking the headings for subtitles E and
25 G;

1 (3) by redesignating sections 441 (as amended
2 by the preceding provisions of this Act), 491, and
3 592 (as added by section 1414 of the Housing and
4 Community Development Act of 1992) as sections
5 451, 453, and 454, respectively;

6 (4) by striking sections 442 and 443; and

7 (5) by inserting after the heading for the title
8 the following:

9 **“Subtitle A—Flexible Grant Program**

10 **“CHAPTER 1—GENERAL PROVISIONS**

11 **“SEC. 401. PURPOSES.**

12 “The purposes of this subtitle are to—

13 “(1) expand and reorganize the Federal com-
14 mitment to alleviate homelessness by providing
15 States, Indian tribes, and localities with the re-
16 sources to more efficiently and effectively design a
17 comprehensive system to address the shelter, service,
18 and permanent housing needs of homeless individ-
19 uals and families in the United States;

20 “(2) help very low-income families avoid becom-
21 ing homeless;

22 “(3) meet the emergency shelter needs of home-
23 less persons and families;

1 “(4) provide transitional or specialized perma-
2 nent housing to facilitate the movement of homeless
3 persons and families to independent living;

4 “(5) provide supportive services to help home-
5 less persons and families lead independent and dig-
6 nified lives;

7 “(6) encourage the cooperation and participa-
8 tion of the States and units of general local govern-
9 ment, together with private nonprofit organizations,
10 in planning and implementing comprehensive home-
11 less assistance programs;

12 “(7) reduce the costs to States, units of general
13 local government, and private nonprofit organiza-
14 tions in applying for and using Federal housing as-
15 sistance for families and persons who are homeless;
16 and

17 “(8) begin meeting the needs of most of the
18 Nation’s homeless population through the existing
19 Federal programs providing basic assistance for low-
20 income families and persons.

21 **“SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

22 “There are authorized to be appropriated—

23 “(1) \$855,000,000 for fiscal year 1997 for
24 grants in accordance with section 412(b) of the

1 Stewart B. McKinney Homeless Assistance Amend-
2 ments Act of 1996; and

3 “(2) such sums as may be necessary for each
4 of fiscal years 1998, 1999, 2000, and 2001 for
5 grants under this subtitle.

6 Any amounts appropriated pursuant to this section shall
7 remain available until expended.

8 **“SEC. 403. DEFINITIONS.**

9 “For purposes of this subtitle, the following defini-
10 tions shall apply:

11 “(1) The term ‘allocation unit of general local
12 government’ means a metropolitan city and an
13 urban county.

14 “(2) The term ‘applicant’ means an eligible
15 grantee that submits an application under section
16 408 for a grant under this subtitle.

17 “(3) The term ‘disability’ means—

18 “(A) a disability as defined in section 223
19 of the Social Security Act;

20 “(B) to be determined to have, pursuant to
21 regulations issued by the Secretary, a physical,
22 mental, or emotional impairment which (i) is
23 expected to be a long-continued and indefinite
24 duration, (ii) substantially impedes an individ-
25 ual’s ability to live independently, and (iii) of

1 such a nature that such ability could be im-
2 proved by more suitable housing conditions;

3 “(C) a developmental disability as defined
4 in section 102 of the Developmental Disabilities
5 Assistance and Bill of Rights Act; or

6 “(D) the disease of acquired
7 immunodeficiency syndrome or any conditions
8 arising from the etiologic agency for acquired
9 immunodeficiency syndrome.

10 Subparagraph (D) shall not be construed to limit eli-
11 gibility under subparagraphs (A) through (C) or the
12 provisions referred to in subparagraphs (A) through
13 (C).

14 “(4) The term ‘eligible grantee’ means—

15 “(A) an allocation unit of general local
16 government, Indian Tribe, or insular area, or a
17 consortium of such entities, that elects to ad-
18 minister a grant under section 410(a)(1);

19 “(B) a public agency or a private nonprofit
20 organization (or a consortium of such organiza-
21 tions) designated by the Secretary under section
22 410(a)(3) to administer grant amounts for an
23 allocation unit of general local government, In-
24 dian tribe, or insular area;

1 “(C) an entity eligible to receive grant
2 amounts from the Secretary under section
3 410(a)(4);

4 “(D) a State that elects under section
5 410(b)(1)(A) to administer a grant;

6 “(E) a unit of general local government se-
7 lected under section 410(b)(5) to receive grant
8 amounts from the Secretary; and

9 “(F) a private nonprofit organization se-
10 lected under section 410(b)(4) to receive grant
11 amounts from the Secretary.

12 “(5) The term ‘families’ has the same meaning
13 given the term under section 3(b) of the United
14 States Housing Act of 1937.

15 “(6) The term ‘grantee’ means—

16 “(A) an allocation unit of general local
17 government, Indian tribe, or insular area, or a
18 consortium of such entities, that receives a
19 grant under this subtitle and administers the
20 grant under section 410(a)(1);

21 “(B) an allocation unit of general local
22 government, Indian tribe, or insular area that
23 receives a grant under this subtitle and des-
24 ignates a public agency or private nonprofit or-
25 ganization (or a consortium of such organiza-

1 tions) to administer grant amounts for the ju-
2 rsdiction under section 410(a)(2);

3 “(C) a public agency or a private nonprofit
4 organization (or a consortium or such organiza-
5 tions) designated by the Secretary under section
6 410(a)(3) to administer grant amounts for an
7 allocation unit of general local government, In-
8 dian tribe, or insular area, and that receives
9 grant amounts under this subtitle;

10 “(D) an entity that receives grant amounts
11 from the Secretary under section 410(a)(4);

12 “(E) a State that receives grant amounts
13 under this subtitle and administers such
14 amounts under section 410(b)(1)(A);

15 “(F) a unit of general local government
16 that receives grant amounts from the Secretary
17 under section 410(b)(5); and

18 “(G) a private nonprofit organization that
19 receives grant amounts from the Secretary
20 under section 410(b)(4).

21 “(7) The term ‘homeless family’ means a group
22 of one or more related individuals who are homeless
23 individuals.

24 “(8) The term ‘Indian tribe’ means any Indian
25 tribe, band, group, and nation, including Alaska In-

1 dians, Aleuts, and Eskimos, and any Alaskan Native
2 Village, of the United States, which is considered an
3 eligible recipient under the Indian Self-Determina-
4 tion and Education Assistance Act or was considered
5 an eligible recipient under chapter 67 of title 31,
6 United States Code, before the repeal of such
7 chapter.

8 “(9) The term ‘insular area’ means the Virgin
9 Islands, Guam, American Samoa, and the Common-
10 wealth of the Northern Mariana Islands.

11 “(10) The term ‘low-demand services and refer-
12 rals’ means the provision of health care, mental
13 health, substance abuse, and other supportive serv-
14 ices and referrals for services in a noncoercive man-
15 ner, which may include medication management,
16 education, counseling, job training, and assistance in
17 obtaining entitlement benefits and in obtaining other
18 supportive service including mental health treatment
19 and substance abuse treatment.

20 “(11) The term ‘metropolitan city’ has the
21 meaning given the term in section 102(a) of the
22 Housing and Community Development Act of 1974.

23 “(12) The term ‘operating costs’ means ex-
24 penses of operating any housing assisted under this
25 subtitle with respect to—

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

3 “(B) utilities, fuels, furnishings, and equip-
4 ment for such housing; and

5 “(C) the conducting of the assessments of
6 and the provision of supportive services to the
7 residents of such housing.

8 “(13) The term ‘outpatient health services’
9 means outpatient health care, outpatient mental
10 health services, outpatient substance abuse services,
11 case management services and child immunization.

12 “(14) The term ‘private nonprofit organization’
13 means an organization—

14 “(A) no part of the net earnings of which
15 inures to the benefit of any member, founder,
16 contributor, or individual;

17 “(B) that has a voluntary board;

18 “(C) that has an accounting system or has
19 designated a fiscal agent in accordance with re-
20 quirements established by the Secretary; and

21 “(D) that practices nondiscrimination in
22 the provision of assistance.

23 “(15) The term ‘project’ means a structure or
24 a portion of a structure that is acquired or rehabili-
25 tated with assistance provided under this subtitle or

1 with respect to which the Secretary provides tech-
2 nical assistance or annual payments for operation
3 costs.

4 “(16) The term ‘project sponsor’ means an en-
5 tity that—

6 “(A) provides housing or assistance for
7 homeless individuals or families by carrying out
8 eligible activities under chapter 2 that are as-
9 sisted under this subtitle; and

10 “(B) meets such minimum standards as
11 the Secretary considers appropriate.

12 “(17) The term ‘recipient’ means a grantee
13 (other than a State distributing grant amounts to
14 State recipients) and a State recipient.

15 “(18) The term ‘Secretary’ means the Secretary
16 of Housing and Urban Development.

17 “(19) The term ‘State’ means a State of the
18 United States and the Commonwealth of Puerto
19 Rico, or any agency or instrumentality thereof that
20 is established pursuant to legislation and designated
21 by the chief executive to act on behalf of the juris-
22 diction with regard to provisions of this subtitle.

23 “(20) The term ‘State recipient’ means—

24 “(A) a unit of general local government
25 within a State (other than an allocation unit of

1 general local government) that receives grant
2 amounts from the State under section
3 410(b)(3); and

4 “(B) a private nonprofit organization that
5 receives grant amounts from a State under sec-
6 tion 410(b)(4).

7 “(21)(A) The term ‘supportive services’ means
8 assistance that—

9 “(i) addresses the special needs of home-
10 less persons, such as deinstitutionalized per-
11 sons, families with children, persons with men-
12 tal disabilities, other persons with disabilities,
13 the elderly, and veterans intended to be served
14 by a project; and

15 “(ii) assists in accomplishing the purposes
16 of the different types of housing for the home-
17 less eligible for assistance under this subtitle.

18 “(B) Such term includes—

19 “(i) food services, child care, substance
20 abuse treatment, assistance in obtaining perma-
21 nent housing, outpatient health services, em-
22 ployment counseling, nutritional counseling, se-
23 curity arrangements for the protection of resi-
24 dents of facilities to assist the homeless, and
25 such other services essential for maintaining or

1 moving toward independent living as the Sec-
2 retary determines to be appropriate; and

3 “(ii) assistance to homeless persons in ob-
4 taining other Federal, State, and local assist-
5 ance available for such individuals, including
6 public assistance benefits, mental health bene-
7 fits, employment counseling, and medical assist-
8 ance.

9 “(C) Such term does not include the provision
10 of major medical equipment.

11 “(D) All or part of the supportive services may
12 be provided directly by the project sponsor or by
13 arrangements with other public or private service
14 providers.

15 “(22) The term ‘unit of general local govern-
16 ment’ means—

17 “(A) a city, town, township, county, parish,
18 village, or other general purpose political sub-
19 division of a State;

20 “(B) the District of Columbia; and

21 “(C) any agency or instrumentality thereof
22 that is established pursuant to legislation and
23 designated by the chief executive to act on be-
24 half of the jurisdiction with regard to provisions
25 of this subtitle.

1 The term includes a consortium of geographically
2 contiguous units of general local government if the
3 Secretary determines that the consortium—

4 “(i) has sufficient authority and adminis-
5 trative capability to carry out the purposes of
6 this subtitle on behalf of its member jurisdic-
7 tions; and

8 “(ii) will, according to a written certifi-
9 cation by the State (or State, if the consortium
10 includes jurisdictions in more than one State),
11 direct its activities to alleviation of problems of
12 homeless individuals or families within the
13 State or States.

14 “(23) The term ‘urban county’ has the meaning
15 given the term in section 102(a) of the Housing and
16 Community Development Act of 1974.

17 “(24) The term ‘very low-income families’ has
18 the same meaning given the term under section 104
19 of the Cranston-Gonzalez National Affordable Hous-
20 ing Act.

21 **“SEC. 404. PROVISION OF GRANTS.**

22 “(a) **AUTHORITY AND USE.**—The Secretary may
23 make grants to eligible grantees in accordance with the
24 provisions of this subtitle. Grants under this subtitle may
25 be used only—

1 “(1) to carry out activities under chapter 2 for
2 assisting homeless individuals and families that are
3 conducted to provide comprehensive homeless assist-
4 ance required under section 405; and

5 “(2) for administrative expenses, to the extent
6 provided in section 436.

7 “(b) GENERAL RULE FOR AWARD OF GRANTS.—EX-
8 cept as provided in subsection (c), the Secretary shall
9 make grants using amounts appropriated under section
10 402 in the manner provided in this subtitle.

11 “(c) INSUFFICIENT APPROPRIATIONS.—

12 “(1) TRIGGER.—If the amounts appropriated
13 pursuant to section 402 for any fiscal year are less
14 than 50 percent of the amount authorized to be ap-
15 propriated under such section for the year, the Sec-
16 retary shall use such amounts to make grants under
17 the provisions of this title as in effect immediately
18 before the enactment of the Stewart B. McKinney
19 Homeless Assistance Amendments Act of 1996.

20 “(2) GRANT REQUIREMENTS.—The Secretary
21 shall establish requirements for grants made under
22 this subsection, as the Secretary considers appro-
23 priate, that are additional or alternative to the re-
24 quirements under the provisions of this title as in ef-
25 fect immediately before the enactment of the Stew-

1 art B. McKinney Homeless Assistance Amendments
2 Act of 1996.

3 “(3) GRANT CRITERIA.—The criteria for award-
4 ing grants under this subsection shall include—

5 “(A) the extent to which there is a need
6 for assistance for homeless individuals and fam-
7 ilies in the jurisdiction in which the grant will
8 be used;

9 “(B) the extent to which the activities pro-
10 posed to be carried out with grant amounts will
11 further the provision of comprehensive homeless
12 assistance required under section 405(b)(1);

13 “(C) the extent to which private nonprofit
14 organizations providing assistance to homeless
15 individuals and families in the jurisdiction have
16 been, and will be, included in planning for the
17 receipt of assistance under this subtitle, the de-
18 velopment of the application under section 408,
19 and the execution of the proposed activities;
20 and

21 “(D) such other criteria as the Secretary
22 considers appropriate to further the purposes of
23 this subsection and this subtitle.

24 “(4) SET ASIDE FOR INDIAN TRIBES AND INSU-
25 LAR AREAS.—In making grants under this sub-

1 section, the Secretary may set aside such amounts
2 as the Secretary considers appropriate for grants for
3 Indian tribes and insular areas.

4 **“SEC. 405. COMPREHENSIVE HOMELESS ASSISTANCE.**

5 “(a) ESTABLISHMENT AND MAINTENANCE.—Each
6 applicant shall, based on information provided in the cur-
7 rent comprehensive affordable housing strategy for the ap-
8 propriate jurisdiction under section 105 of the Cranston-
9 Gonzalez National Affordable Housing Act or such other
10 plan as the Secretary may prescribe, use assistance pro-
11 vided under this subtitle in a manner that ensures that
12 comprehensive homeless assistance is established and
13 maintained within the jurisdiction of the applicant.

14 “(b) REQUIREMENTS.—For purposes of this subtitle,
15 comprehensive homeless assistance required under this
16 section shall include—

17 “(1) providing a system of outreach and assess-
18 ment for—

19 “(A) determining whether an individual or
20 family is homeless, needs assistance to avoid
21 being homeless, or needs other assistance; and

22 “(B) ensuring that individuals and families
23 so identified receive appropriate housing and
24 supportive services;

1 “(2) providing assistance to the extent nec-
2 essary to avoid eviction (or foreclosure) and termi-
3 nation of utility services of low- and very low-income
4 families to prevent such families from becoming
5 homeless;

6 “(3) making emergency shelters with appro-
7 priate supportive services available to the extent nec-
8 essary to ensure that homeless individuals and fami-
9 lies for which such housing is appropriate receive
10 adequate shelter, including during any period in
11 which an assessment referred to in paragraph (1) is
12 performed for such an individual or family;

13 “(4) making transitional housing with appro-
14 priate supportive services available to the extent nec-
15 essary to ensure that homeless individuals and fami-
16 lies for which such housing is appropriate are pre-
17 pared for increased responsibility and permanent
18 housing, or permanent supportive housing, after the
19 transition period;

20 “(5) making permanent supportive housing,
21 available to the extent necessary to meet the long-
22 term housing needs of all homeless individuals and
23 families;

1 “(6) providing assistance to meet specific needs
2 of various subpopulations of the homeless, especially
3 the unique needs of homeless veterans; and

4 “(7) providing for coordination of assistance
5 provided under this subtitle and assistance provided
6 under other Federal, State, and local programs that
7 may be used to assist homeless individuals and fami-
8 lies, including—

9 “(A) assistance under the programs for
10 public and Indian housing and section 8 rental
11 assistance under the United States Housing Act
12 of 1937 (including the program for section 8
13 assistance for moderate rehabilitation under
14 section 451 of this Act and the shelter plus care
15 program for such assistance under section 452
16 of this Act), the HOME Investment Partner-
17 ships Act, the community development block
18 grant program under title I of the Housing and
19 Community Development Act of 1974, the pro-
20 gram for supportive housing for the elderly
21 under section 202 of the Housing Act of 1959,
22 the program for supportive housing for persons
23 with disabilities under section 811 of the Cran-
24 ston-Gonzalez National Affordable Housing Act,
25 and the program for housing opportunities for

1 persons with AIDS under subtitle D of title
2 VIII of the Cranston-Gonzalez National Afford-
3 able Housing Act;

4 “(B) programs administered by the Direc-
5 tor of the Federal Emergency Management
6 Agency;

7 “(C) programs administered by the Sec-
8 retary of Labor, including programs for employ-
9 ment and training;

10 “(D) programs administered by the Sec-
11 retary of Health and Human Services, including
12 programs for health care, mental health care,
13 social services, income support services, run-
14 away youth, and unfit transient facilities;

15 “(E) programs administered by the Sec-
16 retary of Veterans Affairs (including programs
17 for compensation benefits, health care, and
18 mental health care, and other services and pro-
19 grams) that are specifically designed to assist
20 homeless veterans;

21 “(F) programs administered by the Sec-
22 retary of Education, including programs for
23 adult education and education for homeless
24 children and youth;

1 “(G) programs administered by the Cor-
2 poration for National and Community Service,
3 including programs for national service; and

4 “(H) such other assistance as the Sec-
5 retary shall prescribe upon consultation with
6 the Interagency Council on the Homeless.

7 **“SEC. 406. MATCHING REQUIREMENTS.**

8 “(a) IN GENERAL.—Except as provided in subsection
9 (c), each recipient shall supplement the amount of grants
10 provided under this subtitle to the recipient with an
11 amount of funds from non-Federal sources equal to 50
12 percent of the Federal grant, which shall include funds
13 from project sponsors receiving assistance from the
14 recipient.

15 “(b) SUPPLEMENTAL FUNDS.—Supplemental funds
16 may include (1) the value of any donated material or
17 building, the value of any lease on a building, (2) any sal-
18 ary paid to staff to carry out the program of a project
19 sponsor, (3) the value of the time and services contributed
20 by volunteers to carry out the program of project sponsor
21 at a rate determined by the Secretary, and (4) the pro-
22 ceeds from bond financing validly issued by a State or unit
23 of general local government, agency, or instrumentality
24 thereof, and repayable with revenues derived from a
25 project assisted under this subtitle, except that not more

1 than 25 percent of the contribution required may be de-
2 rived from the proceeds of such bond financings. Any
3 State or local government funds used independently from
4 the program under this title, or designated for such use,
5 to assist the homeless by carrying out activities that would
6 be eligible for assistance under this subtitle shall be con-
7 sidered supplemental funds under this section.

8 “(c) STATES.—

9 “In the case of a State administering grant
10 amounts under section 410(b)(1)(A), in each fiscal
11 year, the State shall supplement the amount of
12 grants provided under this subtitle with an amount
13 of funds from sources other than this subtitle equal
14 to 50 percent of the amount received under this sub-
15 title. Each grantee that is a State shall obtain any
16 supplemental amounts from State recipients receiv-
17 ing amounts under the grant.

18 “(d) PROHIBITION OF SUBSTITUTION OF FUNDS.—

19 Assistance provided under this subtitle may not be used
20 to replace other public funds previously used, or des-
21 ignated for use, to assist persons who are homeless.

22 “(e) CERTIFICATION.—Each recipient shall certify, to
23 the satisfaction of the Secretary, its compliance with the
24 provisions of this section, which shall describe the sources

1 and amounts of supplemental funds provided pursuant to
2 this section.

3 **“SEC. 407. RESPONSIBILITIES OF RECIPIENTS AND**
4 **PROJECT SPONSORS.**

5 “(a) USE OF ASSISTANCE THROUGH PRIVATE NON-
6 PROFIT ORGANIZATIONS.—Each recipient shall make
7 available more than 50 percent of the grant amounts it
8 receives for any fiscal year to project sponsors that are
9 private nonprofit organizations to carry out eligible activi-
10 ties under chapter 2, except that the Secretary may waive
11 the applicability of this requirement if the recipient dem-
12 onstrates to the Secretary that the requirement interferes
13 with the ability of the recipient to provide assistance under
14 this subtitle because of a paucity of qualified private non-
15 profit organizations in the jurisdiction of the recipient.

16 “(b) HOUSING QUALITY.—Each recipient shall en-
17 sure that housing assisted with grant amounts provided
18 under this subtitle is decent, safe, and sanitary and, when
19 appropriate, complies with all applicable State and local
20 housing codes, building codes, and licensing requirements
21 in the jurisdiction in which the housing is located.

22 “(c) PREVENTION OF UNDUE BENEFIT.—The Sec-
23 retary may prescribe such terms and conditions as the
24 Secretary considers necessary to prevent project sponsors
25 from unduly benefiting from the sale or other disposition

1 of projects other than a sale or other disposition resulting
2 in the use of the project for the direct benefit of very low-
3 income families.

4 “(d) CONFIDENTIALITY.—Each recipient shall de-
5 velop and implement procedures to ensure the confiden-
6 tiality of records pertaining to any individual provided
7 family violence prevention or treatment services under any
8 project and to ensure that the address or location or any
9 family violence shelter project assisted with grant amounts
10 under this subtitle will, except with written authorization
11 of the person or person responsible for the operation of
12 such shelter, not be made public.

13 “(e) EMPLOYMENT OF HOMELESS INDIVIDUALS.—
14 To the maximum extent practicable, the Secretary shall
15 ensure that recipients involve, through employment, volun-
16 teer services, or otherwise, homeless individuals and fami-
17 lies in constructing, renovating, maintaining, and operat-
18 ing facilities assisted with grant amounts under this sub-
19 title, in providing services so assisted, and in providing
20 services for occupants of facilities so assisted.

21 “(f) PARTICIPATION OF HOMELESS INDIVIDUALS.—
22 The Secretary shall, by regulation, provide that each recip-
23 ient shall require each project sponsor receiving assistance
24 under this subtitle from the recipient to provide for the
25 participation of not less than one homeless individual or

1 formerly homeless individual on the board of directors or
2 other equivalent policy making entity of the project spon-
3 sor, to the extent that such entity considers and makes
4 policies and decision regarding any project, facility, serv-
5 ices, or other activities assisted with grant amounts under
6 this subtitle. A recipient may grant waivers to project
7 sponsors unable to meet the requirement under the pre-
8 ceding sentence if the project sponsor agrees to otherwise
9 consult with homeless or formerly homeless individuals in
10 considering and making such policies and decisions.

11 **“SEC. 408. APPLICATION.**

12 “(a) REQUIREMENT.—Except as otherwise provided
13 in section 404(c), the Secretary may make a grant under
14 this subtitle only to an eligible grantee that submits an
15 application under this section that is approved by the
16 Secretary.

17 “(b) FORM AND PROCEDURE.—Applications shall be
18 submitted in such form and in accordance with such proce-
19 dures as the Secretary shall, by regulation, establish.

20 “(c) CONTENT.—An application under this section
21 shall—

22 “(1) include a detailed description, based on in-
23 formation provided in the current comprehensive
24 housing affordability strategy under section 105 of
25 the Cranston-Gonzalez National Affordable Housing

1 Act for the appropriate jurisdiction or such other
2 plan as the Secretary may prescribe, of—

3 “(A) the existing population of homeless
4 individuals and families for the jurisdiction of
5 the applicant; and

6 “(B) the existing facilities and services de-
7 signed to assist such population;

8 “(2) include a detailed description of the com-
9 prehensive homeless assistance under section 405 to
10 be established and maintained within the jurisdiction
11 of the applicant;

12 “(3) provide an assessment of what is required
13 to establish and maintain the provision of com-
14 prehensive homeless assistance required under sec-
15 tion 405 for the jurisdiction of the applicant;

16 “(4) set forth a multiyear strategy for estab-
17 lishing and maintaining the provision of comprehen-
18 sive homeless assistance for the jurisdiction, as de-
19 scribed pursuant to paragraph (2), and include time-
20 tables, goals, and budget estimates for accomplishing
21 each element of the strategy;

22 “(5) set forth a 1-year action plan that identi-
23 fies all activities to be carried out with assistance
24 under this subtitle and demonstrates how such ac-

1 activities will further the strategy set forth pursuant to
2 paragraph (4);

3 “(6) except in the case of an application by a
4 State that elects under section 410(b)(1)(A) to ad-
5 minister grants under this subtitle, describe the
6 means the applicant will use to distribute grant
7 amounts to project sponsors and whether such
8 amounts will be awarded on a competitive or non-
9 competitive basis;

10 “(7) contain certifications or other such forms
11 of proof of commitments of financial and other re-
12 sources from each public agency or private nonprofit
13 organization that has a role in establishing and
14 maintaining the provision of comprehensive homeless
15 assistance for the jurisdiction of the applicant, re-
16 quired under section 405;

17 “(8) contain assurances satisfactory to the Sec-
18 retary that activities carried out under chapter 2
19 with grant amounts under this subtitle will comply
20 with the requirements of this subtitle;

21 “(9) in the case of an application by a State
22 that elects to under section 410(b)(1)(A) administer
23 grants under this subtitle, describe the method of
24 distribution of such amounts to State recipients;

1 “(10) except with respect to an application by
2 a State that elects under section 410(b)(1)(A) to ad-
3 minister grants under this subtitle, contain a certifi-
4 cation from the public official responsible for sub-
5 mitting the comprehensive housing affordability
6 strategy under section 105 of the Cranston-Gonzalez
7 National Affordable Housing Act for the State or
8 unit of general local government within which a
9 project is to be located (or such other plan as the
10 Secretary may require) that the proposed project is
11 consistent with the approved housing strategy of
12 such State or unit of general local government;

13 “(11) contain a certification that the applicant
14 will comply with the requirements of the Fair Hous-
15 ing Act, title VI of the Civil Rights Act of 1964, sec-
16 tion 504 of the Rehabilitation Act of 1973, and the
17 Age Discrimination Act of 1975, and will affirma-
18 tively further fair housing; and

19 “(12) contain a certification that the applicant
20 will comply with the requirements of this subtitle
21 and other applicable laws.

22 “(d) RELATIONSHIP TO CHAS AND CONSOLIDATED
23 PLAN.—In establishing requirements for applications
24 under this section, the Secretary shall provide that if an
25 applicant includes in the application information also re-

1 quired under the comprehensive housing affordability
2 strategy for the appropriate jurisdiction under section 105
3 of the Cranston-Gonzalez National Affordable Housing
4 Act or such other plan as the Secretary may require, the
5 requirements under such subsection regarding such infor-
6 mation shall be considered to be fulfilled by the submission
7 of the application.

8 **“SEC. 409. ALLOCATION AND DISTRIBUTION OF FUNDS.**

9 “(a) INSULAR AREAS.—In each fiscal year, from any
10 amounts appropriated for such year to carry out this sub-
11 title, the Secretary shall allocate amounts to insular areas
12 in accordance with an allocation formula established by
13 the Secretary.

14 “(b) STATES AND ALLOCATION UNITS OF GENERAL
15 LOCAL GOVERNMENT.—

16 “(1) FORMULA ALLOCATION.—

17 “(A) IN GENERAL.—For each fiscal year,
18 of the amounts that remain after amounts are
19 reserved for insular areas under subsection (a),
20 the Secretary shall allocate assistance according
21 to this paragraph.

22 “(B) FORMULA.—The Secretary shall allo-
23 cate amounts under this paragraph using a for-
24 mula established by the Secretary that allocates
25 amounts for allocation units of general local

1 government and States, and for Indian tribes,
2 in a manner that provides that the percentage
3 of the total amount referred to in subparagraph
4 (A) for any fiscal year that is allocated for any
5 State or allocation unit of general local govern-
6 ment, or for Indian tribes, is equal to the per-
7 centage of the total amount available for section
8 106 of the Housing and Community Develop-
9 ment Act of 1974 for the prior fiscal year that
10 was allocated for such State or allocation unit
11 of general local government, or for Indian
12 tribes.

13 “(C) MINIMUM AMOUNT.—If, in any fiscal
14 year, allocation under the provisions of subpara-
15 graphs (A) and (B) would result in any alloca-
16 tion unit of general local government receiving
17 a grant of less than 0.05 percent of the
18 amounts appropriated to carry out this subtitle
19 for the fiscal year, such amount shall instead be
20 reallocated to the State for use under section
21 410(b).

22 “(D) 70 PERCENT FOR UNITS OF GENERAL
23 LOCAL GOVERNMENT.—In each fiscal year, the
24 amount allocated under this paragraph for each
25 allocation unit of general local government shall

1 be the amount that results from increasing all
2 of the amounts determined pursuant to the pre-
3 ceding subparagraphs for allocation units of
4 general local government on a pro rata basis so
5 that the sum of such amounts is equal to 70
6 percent of the remainder of the amount appro-
7 priated for the year to carry out this subtitle
8 after amounts are allocated for insular areas
9 under subsection (a).

10 “(E) 30 PERCENT FOR STATES.—In each
11 fiscal year, the amount allocated under this
12 paragraph for each State shall be the amount
13 that results from decreasing all of the amounts
14 determined pursuant to the preceding subpara-
15 graphs for States on a pro rata basis so that
16 the sum of such amounts is equal to 30 percent
17 of the remainder of the amount appropriated
18 for the year to carry out this subtitle after
19 amounts are allocated for insular areas under
20 subsection (a).

21 “(2) GRANT AMOUNT FOR STATES AND ALLO-
22 CATION UNITS OF GENERAL LOCAL GOVERNMENT.—

23 “(A) IN GENERAL.—The amount allocated
24 for a fiscal year under paragraph (1) for an al-
25 location unit of general local government or a

1 State shall be the maximum amount that the
2 allocation unit or State may receive under this
3 subtitle for the fiscal year.

4 “(B) REDUCTION.—In any fiscal year, the
5 Secretary may provide a grant under this sub-
6 title for a State or for an allocation unit of gen-
7 eral local government in an amount less than
8 the amount allocated under paragraph (1), if
9 the Secretary determines based upon review of
10 the application of the jurisdiction under section
11 408 or as a result of the annual performance
12 review and audit under section 413, that the ju-
13 risdiction has failed to comply fully with the re-
14 quirements under section 408 or 411 or that
15 such action is otherwise appropriate.

16 “(3) MINIMUM STATE ALLOCATION.—Notwith-
17 standing paragraph (2), if, in allocating amounts for
18 States under paragraph (1) for any fiscal year, the
19 amount allocated for the year for a State is less
20 than \$2,000,000, the allocation for the State shall
21 instead be \$2,000,000 and the increase shall be de-
22 ducted pro rata from the allocations of other States.

23 “(c) REALLOCATIONS.—Any amounts that a State or
24 an allocation unit of general local government is eligible
25 to receive for a fiscal year under subsection (b) that are

1 not received for use in the jurisdiction, as provided by sub-
2 sections (a) and (b) of section 410, or that become avail-
3 able as a result of actions under section 413(b), shall be
4 added to amounts available for allocation under this sec-
5 tion for the succeeding fiscal year.

6 **“SEC. 410. ADMINISTRATION OF PROGRAM.**

7 “(a) GRANTS TO ALLOCATION UNITS OF GENERAL
8 LOCAL GOVERNMENT, INDIAN TRIBES, AND INSULAR
9 AREAS.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graphs (2), (3), and (4), an allocation unit of gen-
12 eral local government, Indian tribe, or insular area
13 shall administer grant amounts for any fiscal year
14 received under section 409 by such grantees.

15 “(2) ADMINISTRATION BY DESIGNEES OF JU-
16 RISDICTION.—

17 “(A) AUTHORITY TO ELECT.—An alloca-
18 tion unit of general local government, Indian
19 tribe, or insular area may elect for any fiscal
20 year to designate a public agency or a private
21 nonprofit organization (or a consortium of such
22 organizations) to administer grant amounts
23 under section 409 for the jurisdiction.

24 “(B) ELECTION REQUIREMENTS.—The
25 Secretary shall prescribe the manner and time

1 for making an election under subparagraph (A),
2 and shall establish criteria for the approval of
3 agencies and organizations designated, which
4 shall require such agencies and organizations to
5 demonstrate experience of the entity in provid-
6 ing assistance to homeless individuals and fami-
7 lies in the jurisdiction.

8 “(C) DIRECT PROVISION OF ASSIST-
9 ANCE.—The Secretary may, at the request of
10 the jurisdiction, provide grant amounts directly
11 to the agency or organization designated under
12 this paragraph.

13 “(3) ADMINISTRATION BY DESIGNEES OF SEC-
14 RETARY.—If an allocation unit of general local gov-
15 ernment, Indian tribe, or insular area, or (if appro-
16 priate) a public agency or private nonprofit organi-
17 zation designated by the jurisdiction under para-
18 graph (2), does not receive a grant under section
19 409 for any fiscal year because of failure to meet the
20 application requirements of section 408, the Sec-
21 retary may designate an agency or organization
22 meeting the criteria established under paragraph
23 (2)(B) to receive the grant.

24 “(4) ADMINISTRATION BY SECRETARY.—If for
25 any fiscal year the Secretary determines that the

1 grant amounts allocated under section 409 for an al-
2 location unit of general local government, Indian
3 tribe, or insular area will not be used in the jurisdic-
4 tion as provided by the preceding provisions of this
5 subsection, the Secretary may administer such
6 amounts for the jurisdiction. The Secretary shall
7 prescribe such procedures and requirements as the
8 Secretary considers appropriate for administering
9 grant amounts under this paragraph.

10 “(b) GRANTS TO STATES.—

11 “(1) IN GENERAL.—To receive an allocation
12 under section 409, each State shall elect—

13 “(A) to administer grant amounts received
14 under section 409, as provided in paragraphs
15 (2) and (3); or

16 “(B) to have the Secretary administer such
17 grant amounts for the State, as provided in
18 paragraph (5).

19 If a State elects to administer grant amounts under
20 subparagraph (A), the election shall be irrevocable.

21 “(2) STATE PROGRAM.—A State administering
22 grant amounts as provided in paragraph (1)(A)—

23 “(A) shall distribute the amounts remain-
24 ing after use in accordance with subparagraph

1 (B) to State recipients for use under this sub-
2 title;

3 “(B) may use up to 15 percent of the
4 grant amounts received under section 409 to
5 carry out its own homeless assistance program
6 under this subtitle, except that—

7 “(i) such amounts may only be used
8 for eligible activities under chapter 2 for
9 which States are eligible recipients under
10 this subtitle; and

11 “(ii) the Secretary may increase the
12 percentage limitation under this subpara-
13 graph in the case of any State homeless
14 assistance program that is limited to pro-
15 viding assistance in areas of the State that
16 are not allocation units of general local
17 government; and

18 “(C) may retain not to exceed 5.0 percent
19 of the amount to be distributed under subpara-
20 graph (A) to State recipients to defray the cost
21 of carrying out its responsibilities under this
22 subtitle.

23 Unless a State demonstrates to the satisfaction of
24 the Secretary that the needs for assistance for ac-
25 tivities under this subtitle in areas of the State that

1 are not allocation units of general local government
2 have been fulfilled, grant amounts received by State
3 may only be used to carry out activities in areas of
4 the State that do not include allocation units of gen-
5 eral local government.

6 “(3) DISTRIBUTION OF AMOUNTS TO STATE RE-
7 CIPIENTS.—

8 “(A) CHOICE OF ADMINISTRATION.—A
9 State administering grant amounts as provided
10 in paragraph (1)(A) shall, for each fiscal year,
11 afford each such recipient the options of—

12 “(i) administering the grant amounts
13 on its own behalf;

14 “(ii) designating a public agency or a
15 private nonprofit organization (as provided
16 by subsection (a)(2)) to administer the
17 grant amounts for the jurisdiction; or

18 “(iii) entering into an agreement with
19 the State, in consultation with private non-
20 profit organizations providing assistance to
21 homeless individuals and families in the ju-
22 risdiction, under which the State will ad-
23 minister the grant amounts for the juris-
24 diction.

1 A recipient may choose to exercise such options
2 at such time and in accordance with such cri-
3 teria as the Secretary may prescribe.

4 “(B) DIRECT PROVISION OF ASSIST-
5 ANCE.—A State may, at the request of the
6 State recipient, provide grant amounts directly
7 to the agency or organization designated under
8 subparagraph (A)(ii).

9 “(C) DISTRIBUTION OF AMOUNTS.—The
10 State shall distribute amounts to State recipi-
11 ents (or to agencies or organizations designated
12 under subparagraph (A)(ii), as appropriate) on
13 the basis of an application containing such in-
14 formation as the State may prescribe. Each ap-
15 plication shall evidence an intent to establish
16 and maintain the provision of comprehensive
17 homeless assistance in the jurisdiction of the re-
18 cipient, except that the State may waive this re-
19 quirement with respect to one or more proposed
20 activities, where the State determines that—

21 “(i) the activities are necessary to
22 meet the needs of homeless individuals and
23 families within the jurisdiction; and

24 “(ii) comprehensive homeless assist-
25 ance is not necessary, due to the nature

1 and extent of homelessness in the jurisdic-
2 tion.

3 “(D) PREFERENCE FOR CERTAIN STATE
4 RECIPIENTS.—In selecting State recipients and
5 making awards under subparagraph (C), the
6 State shall give preference to applications that
7 demonstrate higher relative levels of homeless
8 need and fiscal distress.

9 “(4) STATE OR HUD ADMINISTRATION OF
10 GRANTS FOR INDIVIDUAL STATE RECIPIENTS.—If in
11 any fiscal year a State distributes grant amounts to
12 a State recipient, but the recipient fails to receive
13 the amounts pursuant to paragraph (3)(A), the Sec-
14 retary or the State, as the Secretary may provide,
15 may distribute the amounts to private nonprofit or-
16 ganizations in the jurisdiction. If the Secretary dis-
17 tributes the amounts, the Secretary shall deduct the
18 amounts distributed from the grant provided to the
19 State for the fiscal year.

20 “(5) HUD ADMINISTRATION OF STATE PRO-
21 GRAM.—If a State elects pursuant to paragraph
22 (1)(B) to have the Secretary administer grant
23 amounts for the State received under section 409,
24 the Secretary may distribute grant amounts to State
25 recipients for the State, in accordance with require-

1 ments and procedures prescribed by the Secretary.
2 The Secretary shall establish criteria for selecting
3 recipients and making awards under this paragraph,
4 which shall include giving preference to applications
5 that demonstrate higher relative levels of homeless
6 need and fiscal distress.

7 **“SEC. 411. CITIZEN PARTICIPATION.**

8 “(a) IN GENERAL.—Each grantee who is not a State
9 recipient shall ensure that citizens, and appropriate pri-
10 vate nonprofit organizations and other interested groups
11 and entities, participate fully in developing and carrying
12 out the program for providing assistance under this sub-
13 title in the jurisdiction of the recipient. The Secretary
14 shall prescribe such requirements to carry out this section
15 as the Secretary deems appropriate, which shall include
16 requirements applicable to the homeless assistance plan-
17 ning boards referred to in subsection (b) and the citizen
18 participation provisions of subsection (c), and the timing
19 of, and sequence for, carrying out the requirements of
20 such subsections.

21 “(b) HOMELESS ASSISTANCE PLANNING BOARDS.—

22 “(1) ESTABLISHMENT.—As a condition of a
23 grantee who is not a State recipient receiving assist-
24 ance under this subtitle, the chief executive officer of
25 the appropriate unit government in the jurisdiction

1 of the grantee shall establish and provide support
2 for the operation of a homeless assistance planning
3 board under this subsection.

4 “(2) FUNCTIONS.—Each board under this sub-
5 section shall assist the recipient in—

6 “(A) determining whether grant amounts
7 of the grantee should be administered by the
8 grantee, a public agency or private nonprofit or-
9 ganization, or the State or the Secretary, under
10 subsections (a) and (b) of section 410;

11 (B) developing the application under sec-
12 tion 408;

13 (C) overseeing the activities carried out
14 with assistance under this subtitle; and

15 (D) evaluating the performance of the
16 grantee (and recipients of the grantee) in carry-
17 ing out such activities.

18 “(3) MEMBERSHIP.—Each board under this
19 subsection shall consist of members appointed by the
20 chief executive officer referred to in paragraph (1)
21 (subject to recommendations in accordance with
22 paragraph (4)), and shall include—

23 “(A) not less than one member represent-
24 ing homeless individuals and families;

1 “(B) not less than one member represent-
2 ing homeless advocates;

3 “(C) not less than one member represent-
4 ing individuals and entities providing assistance
5 to homeless individuals and families, including
6 agencies of units of general local government
7 providing Federal assistance;

8 “(D) not less than one member represent-
9 ing the business community;

10 “(E) not less than one member represent-
11 ing labor;

12 “(F) not less than one member who is a
13 community representative;

14 “(G) not less than one member of the local
15 board established for the jurisdiction for pur-
16 poses of allocating amounts under the emer-
17 gency food and shelter program of the Federal
18 Emergency Management Agency;

19 “(H) not less than one member represent-
20 ing the grantee; and

21 “(I) in the case of a grantee that is a
22 State—

23 “(i) one member representing the
24 State agency or instrumentality dealing
25 with mental health; and

1 “(ii) one member representing the
2 State agency or instrumentality dealing
3 with education.

4 “(4) DISTRIBUTION OF MEMBERSHIP.—Not less
5 than 50 percent of the members of each board under
6 this subsection (including the members required
7 under subparagraphs (A), (B), (C), and (G) of para-
8 graph (3)) shall be members of the board that rep-
9 resent homeless individuals and families, homeless
10 advocates, or nongovernmental entities that provide
11 assistance to homeless individuals and families. They
12 shall be individuals who were recommended for
13 membership by individuals and entities other than a
14 unit of general local government or any agency
15 thereof.

16 “(5) BOARD REVIEW.—

17 “(A) APPLICANTS.—No eligible grantee
18 may submit an application to the Secretary
19 under section 408, and no grantee may submit
20 to the Secretary a performance report under
21 subsection 413(a), unless the board under this
22 subsection for the jurisdiction of the grantee
23 has reviewed, and been provided an opportunity
24 to include any comments of the board in, the
25 application or report.

1 “(B) STATE RECIPIENTS.—No State recip-
2 ient may submit an application under section
3 410(b)(3) or a performance report to a State,
4 unless the board under this subsection for the
5 jurisdiction has reviewed, and been provided an
6 opportunity to include any comments of the
7 board in, the application or report.

8 “(6) REVIEW BY SECRETARY.—A member or
9 members of the board under this subsection for a ju-
10 risdiction or other members of the community may
11 request the Secretary to review process for constitut-
12 ing or operating the board to determine whether the
13 process is fair. If the Secretary finds that the proc-
14 ess is unfair and submits a written justification to
15 the board within 15 days of the request for review,
16 the Secretary may disapprove the application under
17 section 408 for the jurisdiction or refuse to accept
18 a performance report under section 413(a).

19 “(7) CONFLICTS OF INTEREST.—The Secretary
20 shall prescribe standards governing potential con-
21 flicts of interest under which members of boards
22 under this subsection may participate in activities
23 carried out under this subtitle.

24 “(c) INVOLVEMENT OF CITIZENS AND OTHERS.—

25 “(1) IN GENERAL.—Each recipient shall—

1 “(A) make available to its citizens, public
2 agencies, and other interested parties informa-
3 tion concerning the amount of assistance the ju-
4 risdiction expects to receive and the range of
5 activities that may be undertaken with the as-
6 sistance;

7 “(B) publish the proposed application in a
8 manner that, in the determination of the Sec-
9 retary, affords affected citizens, public agencies,
10 and other interested parties a reasonable oppor-
11 tunity to examine its content and to submit
12 comments on it;

13 “(C) hold one or more public hearings to
14 obtain the views of citizens, public agencies, and
15 other interested parties on the housing needs of
16 the jurisdiction; and

17 “(D) provide citizens, public agencies, and
18 other interested parties with reasonable access
19 to records regarding any uses of any assistance
20 the recipient may have received under this sub-
21 title during the preceding 5 years.

22 “(2) NOTICE AND COMMENT.—Before submit-
23 ting any performance report under section 413(a) or
24 any substantial amendment to an application under
25 section 408, a recipient shall provide citizens with

1 reasonable notice of, and opportunity to comment
2 on, the performance report or application.

3 “(3) CONSIDERATION OF COMMENTS.—A recipi-
4 ent shall consider any comments or views of citizens
5 in preparing a final application, amendment to an
6 application, or performance report for submission. A
7 summary of such comments or views shall be at-
8 tached when an application, amendment to an appli-
9 cation, or performance report is submitted. The sub-
10 mitted application, amendment, or report shall be
11 made available to the public.

12 “(4) AUTHORITY OF SECRETARY.—The Sec-
13 retary shall establish procedures appropriate and
14 practicable for providing a fair hearing and timely
15 resolution of citizen complaints related to applica-
16 tions or performance reports under this subtitle.

17 “(d) REQUIREMENTS FOR CITIZEN PARTICIPATION
18 FOR STATE RECIPIENTS AND RECIPIENTS OF AMOUNTS
19 FROM THE SECRETARY.—

20 “(1) STATE RECIPIENTS.—The State may pre-
21 scribe citizen participation requirements comparable
22 (to the extent appropriate) to the requirements
23 under the preceding provisions of this section for
24 cases in which a State distributes grant amounts to
25 State recipients, as provided in section 410(b)(2).

1 “(2) RECIPIENTS FROM SECRETARY.—The Sec-
2 retary may prescribe citizen participation require-
3 ments comparable (to the extent appropriate) to the
4 requirements under the preceding provisions of this
5 section for cases in which the Secretary—

6 “(A) administers the grant amounts of an
7 allocation unit of general local government, as
8 provided in section 410(a)(4); or

9 “(B) distributes grant amounts to recipi-
10 ents, as provided in paragraph (3), (4), or (5)
11 of section 410(b).

12 “(3) INAPPLICABLE LAWS.—The Federal Advi-
13 sory Committee Act and section 12 of the Depart-
14 ment of Housing and Urban Development Act shall
15 not apply with respect to the actions of the Sec-
16 retary referred to in paragraph (2). The Secretary
17 shall establish appropriate standards under this
18 paragraph to ensure the integrity of the process for
19 awarding assistance.

20 **“SEC. 412. APPLICABILITY OF OTHER PROVISIONS.**

21 “(a) FLOOD ELEVATION REQUIREMENTS.—Flood
22 protection standards applicable to housing acquired, reha-
23 bilitated, or assisted under this subtitle shall be no more
24 restrictive than the standards applicable to any other pro-
25 gram administered by the Secretary.

1 “(b) ENVIRONMENTAL PROTECTION.—The provi-
2 sions of, and regulations and procedures applicable under,
3 section 104(g) of the Housing and Community Develop-
4 ment Act of 1974 shall apply to assistance and projects
5 under this subtitle.

6 “(c) GAO AUDITS.—Insofar as they relate to funds
7 provided under this subtitle, the financial transactions of
8 grantees and project sponsors may be audited by the Gen-
9 eral Accounting Office under such rules and regulations
10 as may be prescribed by the Comptroller General of the
11 United States. The representatives of the General Ac-
12 counting Office shall have access to all books, accounts,
13 records, reports, files and other papers, things, or property
14 belonging to, or in use by such grantees, and project spon-
15 sors pertaining to the financial transactions and necessary
16 to facilitate the audit.

17 **“SEC. 413. REPORTS, REVIEWS, AND AUDITS.**

18 “(a) GRANTEE PERFORMANCE REPORT.—Each
19 grantee shall submit to the Secretary a performance and
20 evaluation report concerning the use of funds made avail-
21 able under this subtitle. The report shall be submitted at
22 such time and contain such information as the Secretary
23 shall prescribe, and shall be made available to the relevant
24 boards referred to in section 411(b) and to citizens, public
25 agencies, and other interested parties in the jurisdiction

1 of the grantee in sufficient time to permit the board and
2 the citizens, public agencies, and other interested parties
3 to comment on the report before submission.

4 “(b) **REVIEWS AND AUDITS.**—The Secretary shall, at
5 least on an annual basis, make such reviews and audits
6 as may be necessary or appropriate to determine—

7 “(1) in the case of a grantee (other than a
8 grantee referred to in paragraph (2)), whether the
9 grantee—

10 “(A) has carried out its activities in a
11 timely manner;

12 “(B) has made progress toward establish-
13 ing and maintaining the comprehensive home-
14 less assistance system in conformity with its ap-
15 plication under this subtitle;

16 “(C) has carried out its activities and cer-
17 tifications in accordance with the requirements
18 of this subtitle and other applicable laws; and

19 “(D) has a continuing capacity to carry
20 out its activities in a timely manner; and

21 “(2) in the case of States distributing grant
22 amounts to State recipients, whether the State—

23 “(A) has distributed amounts to State re-
24 cipients in a timely manner and in conformance

1 with the method of distribution described in its
2 application;

3 “(B) has carried out its activities and cer-
4 tifications in compliance with the requirements
5 of this subtitle and other applicable laws; and

6 “(C) has made such reviews and audits of
7 the State recipients as may be necessary or ap-
8 propriate to determine whether they have satis-
9 fied the applicable performance criteria con-
10 tained in paragraph (1).

11 The Secretary may make appropriate adjustments in the
12 amount of grants in accordance with the Secretary’s find-
13 ings under this subsection. With respect to assistance
14 made available for State recipients, the Secretary may ad-
15 just, reduce, or withdraw such assistance, or take other
16 action as appropriate in accordance with the Secretary’s
17 reviews and audits under this subsection, except that
18 amounts already properly expended on eligible activities
19 under this subtitle shall not be recaptured or deducted
20 from future assistance to such recipients.

21 **“SEC. 414. NONDISCRIMINATION IN PROGRAMS AND AC-**
22 **TIVITIES.**

23 “(a) IN GENERAL.—No person in the United States
24 shall on the ground of race, color, national origin, religion,
25 or sex be excluded from participation in, be denied the

1 benefits of, or be subjected to discrimination under any
2 program or activity funded in whole or in part with funds
3 made available under this subtitle. Any prohibition against
4 discrimination on the basis of age under the Age Discrimi-
5 nation Act of 1975 or with respect to an otherwise quali-
6 fied handicapped individual, as provided in section 504 of
7 the Rehabilitation Act of 1973, shall also apply to any
8 such program or activity.

9 “(b) LIMITATIONS.—

10 “(1) INDIAN TRIBES.—No grant may be made
11 under this subtitle to an Indian tribe unless the ap-
12 plicant provides satisfactory assurances that its pro-
13 gram will be conducted and administered in con-
14 formity with title II of Public Law 90–284. The Sec-
15 retary may waive, in connection with grants to In-
16 dian tribes, the provisions of subsection (a).

17 “(2) HAWAIIAN HOME LANDS.—The provisions
18 of this subtitle relating to discrimination on the
19 basis of race shall not apply to the provision of as-
20 sistance under this subtitle to the Hawaiian Home
21 Lands.

22 **“SEC. 415. CONSULTATION.**

23 “In carrying out the provisions of this subtitle, in-
24 cluding the issuance of regulations, the Secretary shall
25 consult with other Federal agencies administering pro-

1 grams affecting homeless individuals and families through
2 the Interagency Council on the Homeless established
3 under title II.

4 **“SEC. 416. RECORDS, REPORTS, AND AUDITS.**

5 “(a) KEEPING OF RECORDS.—Any recipient (includ-
6 ing a State distributing grant amounts to State recipients
7 as provided in section 410(b)(2)) shall keep such records
8 as may be reasonably necessary—

9 “(1) to disclose the amounts and the disposition
10 of the grant amounts; and

11 “(2) to ensure compliance with the require-
12 ments of this subtitle.

13 “(b) ACCESS TO DOCUMENTS BY SECRETARY.—The
14 Secretary shall have access for the purpose of audit and
15 examination to any books, documents, papers, and records
16 of any recipient specified in subsection (a) that are perti-
17 nent to grant amounts received in connection with, and
18 the requirements of, this subtitle.

19 “(c) ACCESS TO DOCUMENTS BY COMPTROLLER
20 GENERAL.—The Comptroller General of the United
21 States, or any of the duly authorized representatives of
22 the Comptroller General, shall have access for the purpose
23 of audit and examination to any books, documents, papers,
24 and records of any recipient specified in subsection (a)

1 that are pertinent to grant amounts received in connection
2 with, and the requirements of, this subtitle.

3 **“SEC. 417. REPORTS TO CONGRESS.**

4 “The Secretary shall submit a report to the Congress
5 annually, summarizing the activities carried out under this
6 subtitle and setting forth the findings, conclusions, and
7 recommendations of the Secretary as a result of the activi-
8 ties. The report shall be submitted not later than 4
9 months after the end of each fiscal year (except that, in
10 the case of fiscal year 1997, the report shall be submitted
11 not later than 6 months after the end of the fiscal year).

12 **“CHAPTER 2—ELIGIBLE ACTIVITIES**

13 **“SEC. 431. HOMELESSNESS PREVENTION.**

14 “(a) **ELIGIBLE ACTIVITIES.**—A recipient may use
15 grant amounts under this subtitle for activities designed
16 to help persons and families described in subsection (b)
17 avoid becoming homeless, which shall include assistance
18 for making mortgage payments, rental payments, and util-
19 ity payments and any activities other than those found by
20 the Secretary to be inconsistent with the purposes of this
21 Act.

22 “(b) **REQUIREMENTS FOR ASSISTANCE.**—Assistance
23 may be provided under this section only to very low-income
24 persons and families who have received eviction (or mort-

1 gage delinquency or foreclosure) notices or notices of ter-
2 mination of utility services and who—

3 “(1) are unable to make the required payments
4 due to a sudden reduction in income;

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

7 “(3) have a reasonable prospect of being able to
8 resume payments within a reasonable period of time.

9 **“SEC. 432. EMERGENCY SHELTER.**

10 “(a) **ELIGIBLE ACTIVITIES.**—A recipient may use
11 grant amounts under this subtitle for—

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

15 “(2) the provision of supportive services, if such
16 services do not supplant any services provided by the
17 local government during any part of the 12-month
18 period ending on the date of the commencement of
19 the operation of the emergency shelter; and

20 “(3) maintenance, operation, insurance, utili-
21 ties, and furnishings for emergency shelters.

22 “(b) **DEFINITION.**—A project shall be considered
23 emergency shelter for purposes of this section if the
24 project is designed to provide overnight sleeping accom-
25 modations for homeless persons. An emergency shelter

1 may include appropriate eating and cooking accommoda-
2 tions.

3 “(c) PROGRAM REQUIREMENTS.—A recipient may
4 use grant amounts under this subtitle for an emergency
5 shelter project only if the project sponsor has agreed that
6 it will—

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

16 “(2) in the case of assistance involving rehabili-
17 tation (other than major rehabilitation or conversion
18 of a building), maintain the building as a shelter for
19 homeless individuals and families for not less than
20 a 3-year period; or

21 “(3) in the case of assistance involving only ac-
22 tivities described in paragraphs (2) and (3) of sub-
23 section (a), provide services or shelter to homeless
24 individuals and families at the original site or struc-
25 ture or other sites or structures serving the same

1 general population for the period during which such
2 assistance is provided;

3 “(4) comply with the standards of habitability
4 prescribed under subsection (d) by the Secretary and
5 (if applicable) the State or unit of general local gov-
6 ernment; and

7 “(5) assist homeless persons in obtaining—

8 “(A) appropriate supportive service, includ-
9 ing permanent housing, medical and mental
10 health treatment, counseling, supervision, and
11 other services essential for achieving independ-
12 ent living; and

13 “(B) other Federal, State, local, and pri-
14 vate assistance available for homeless persons.

15 “(d) MINIMUM STANDARDS OF HABITABILITY.—The
16 Secretary shall prescribe such minimum standards of hab-
17 itability as the Secretary determines to be appropriate to
18 ensure that emergency shelters assisted under this section
19 are environments that provide appropriate privacy, safety,
20 and sanitary and other health-related conditions for home-
21 less persons and families. Grantees may establish stand-
22 ards of habitability in addition to those prescribed by the
23 Secretary.

1 **“SEC. 433. SUPPORTIVE HOUSING FOR THE HOMELESS.**

2 “(a) **ELIGIBLE ACTIVITIES.**—A recipient may use
3 grant amounts under this subtitle to provide assistance to
4 a project sponsor of supportive housing in the following
5 manners:

6 “(1) **ACQUISITION AND REHABILITATION.**—As-
7 sistance may be provided in the form of an advance
8 in an amount not exceeding cost of acquisition, sub-
9 stantial rehabilitation, or acquisition and rehabilita-
10 tion of an existing structure for use as supportive
11 housing. The repayment of any outstanding debt
12 owed on a loan made to purchase an existing struc-
13 ture shall be considered to be a cost of acquisition
14 eligible for an advance under this paragraph if the
15 structure was not used as supportive housing before
16 the receipt of assistance.

17 “(2) **MODERATE REHABILITATION.**—Assistance
18 may be provided in the form of a grant for moderate
19 rehabilitation of an existing structure for use as sup-
20 portive housing. Assistance under this paragraph
21 shall not preclude assistance under paragraph (1).

22 “(3) **OPERATING COSTS.**—Assistance may be
23 provided in the form of annual payments for operat-
24 ing costs of supportive housing (including supportive
25 housing that is newly constructed with assistance
26 provided from sources other than this subtitle) in an

1 amount not exceeding 75 percent of the annual oper-
2 ating costs of such housing.

3 “(4) TECHNICAL ASSISTANCE.—Technical as-
4 sistance may be provided in—

5 “(A) establishing supportive housing in an
6 existing structure;

7 “(B) operating supportive housing in exist-
8 ing structures and in structures that are newly
9 constructed with assistance provided from
10 sources other than this subtitle; and

11 “(C) providing supportive services to the
12 residents of supportive housing (including sup-
13 portive housing that is newly constructed with
14 assistance provided from sources other than
15 this subtitle).

16 “(5) EMPLOYMENT ASSISTANCE PROGRAM.—
17 Assistance may be provided in the form of a grant
18 for establishing and operating an employment assist-
19 ance program for the residents of supportive hous-
20 ing, which shall include—

21 “(A) employment of residents in the oper-
22 ation and maintenance of the housing; and

23 “(B) the payment of the transportation
24 costs of residents to places of employment.

1 “(6) SUPPORTIVE SERVICES.—Assistance may
2 be provided in the form of a grant for costs of sup-
3 portive services provided to homeless individuals.
4 Any project sponsor, including program recipients
5 under title IV of this Act before the date of the en-
6 actment of the Stewart B. McKinney Homeless As-
7 sistance Amendments Act of 1996, may reapply for
8 such assistance or for the renewal of such assistance
9 to continue services funded under prior grants or to
10 provide other services.

11 “(7) CHILD CARE SERVICES.—Assistance may
12 be provided in the form of a grant to establish and
13 operate a child care services program for homeless
14 families, which shall—

15 “(A) include—

16 “(i) establishing, licensing, and oper-
17 ating an onsite child care facility for the
18 residents of transitional housing;

19 “(ii) making contributions for the
20 child care costs of residents of transitional
21 housing to existing community child care
22 programs and facilities; and

23 “(iii) counseling designed to inform
24 the residents of transitional housing of

1 public and private child care services for
2 which they are eligible; and

3 “(B) provide only child care services that
4 comply with any applicable State and local laws
5 and regulations.

6 A grant under this paragraph for any child care
7 services program may not exceed the amount equal
8 to 75 percent of the cost of operating the program
9 for a period not exceeding 5 years.

10 “(b) SUPPORTIVE HOUSING.—Housing for homeless
11 individuals shall be considered to be supportive housing
12 for purposes of this section if—

13 “(1) the housing is safe and sanitary and meets
14 any applicable State and local housing codes and li-
15 censing requirements in the jurisdiction in which the
16 housing is located;

17 “(2) the housing is—

18 “(A) transitional housing;

19 “(B) permanent housing for homeless per-
20 sons with disabilities; or

21 “(C) a particularly innovative project for,
22 or alternative methods of, meeting the imme-
23 diate and long-term needs of homeless individ-
24 uals and families (or is part of such a project);
25 and

1 “(3) supportive services are provided in connec-
2 tion with the housing to address the special needs of
3 homeless individuals intended to be served by the
4 housing.

5 “(c) TRANSITIONAL HOUSING.—For purposes of this
6 section, the term ‘transitional housing’ means housing, the
7 purpose of which is to facilitate the movement of homeless
8 individuals and families to permanent housing within 24
9 months or such longer period as the Secretary determines
10 necessary.

11 “(d) PERMANENT HOUSING FOR HOMELESS PER-
12 SONS WITH DISABILITIES.—For purposes of this section,
13 the term ‘permanent housing for homeless persons with
14 disabilities’ means community-based housing for homeless
15 persons with disabilities that—

16 “(1) is a home designed solely for housing
17 homeless persons with disabilities or dwelling units
18 in a multifamily housing project, condominium
19 project, or cooperative project;

20 “(2) in the case of a home, is located on a site
21 that does not contain another home used for the
22 same purposes and that is not contiguous to another
23 site containing a home used for the same purposes;
24 and

1 “(3) provides long-term housing and supportive
2 services for not more than—

3 “(A) 8 such persons in a single structure
4 or contiguous structures;

5 “(B) 16 such persons, but only if not more
6 than 20 percent of the units in a structure are
7 designated for such persons; or

8 “(C) more than 16 persons if the applicant
9 demonstrates that local market conditions dic-
10 tate the development of a large project and
11 such development will achieve the neighborhood
12 integration objectives of the program within the
13 context of the affected community.

14 “(e) PROGRAM REQUIREMENTS.—

15 “(1) REQUIRED AGREEMENTS.—A recipient
16 may use grant amounts under this subtitle for a
17 supportive housing project under this section only if
18 the project sponsor for the project has agreed—

19 “(A) to operate the proposed project as
20 supportive housing for not less than 10 years;

21 “(B) to conduct an ongoing assessment of
22 the supportive services required by the residents
23 of the project;

24 “(C) to provide such residential supervision
25 as the Secretary determines is necessary to fa-

1 facilitate the adequate provision of supportive
2 services to the residents of the project; and

3 “(D) to comply with such other terms and
4 conditions as the Secretary or recipient may es-
5 tablish for purposes of carrying out this pro-
6 gram in an effective and efficient manner.

7 “(2) OCCUPANT CHARGE.—Each homeless indi-
8 vidual or family residing in a project assisted under
9 this section that provides supportive housing may be
10 required to pay an occupancy charge in an amount
11 determined by the project sponsor, which may not
12 exceed the amount determined under section 3(a) of
13 the United States Housing Act of 1937. Occupancy
14 charges paid may be reserved, in whole or in part,
15 to assist residents in moving to permanent housing.

16 “(f) SINGLE ROOM OCCUPANCY DWELLINGS.—A
17 project assisted under this section may provide supportive
18 housing or supportive services in dwelling units that do
19 not contain bathrooms or kitchen facilities and are appro-
20 priate for use as supportive housing or in projects contain-
21 ing some or all such dwelling units.

22 **“SEC. 434. SAFE HAVENS FOR HOMELESS INDIVIDUALS.**

23 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
24 grant amounts under this subtitle for—

1 “(1) the construction of a structure for use in
2 providing a safe haven or the acquisition, rehabilita-
3 tion, or acquisition and rehabilitation of an existing
4 structure for use in providing a safe haven;

5 “(2) the leasing of an existing structure for use
6 in providing a safe haven;

7 “(3) operating costs of a safe haven;

8 “(4) costs of administering a safe haven pro-
9 gram, in an amount not exceeding 10 percent of the
10 amounts made available for activities under para-
11 graphs (1) through (3);

12 “(5) conducting outreach activities designed to
13 inform eligible persons about and attract them to a
14 safe haven program;

15 “(6) the provision of low-demand services and
16 referrals for residents of a safe haven; and

17 “(7) conducting other activities that further the
18 purposes of this section, including the modification
19 of an existing facility to use a portion of a facility
20 to provide a safe haven.

21 “(b) DEFINITION.—For purposes of this section, the
22 term ‘safe haven’ means housing for homeless persons
23 who, at the time, are unwilling or unable to participate
24 in mental health treatment programs or to receive other
25 supportive services. Such a facility may provide—

1 “(1) 24-hour residence for eligible persons who
2 may reside for an unspecified duration;

3 “(2) private or semiprivate accommodations;

4 “(3) common use of kitchen facilities, dining
5 rooms, and bathrooms;

6 “(4) supportive services to eligible persons who
7 are not residents on a drop-in basis; and

8 “(5) overnight occupancy limited to no more
9 than 25 persons.

10 **“SEC. 435. SHELTER PLUS CARE.**

11 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
12 grant amounts under this subtitle to provide shelter plus
13 care for homeless persons with disabilities (primarily per-
14 sons who have severe and persistent mental or emotional
15 impairments that seriously limit a person’s ability to live
16 independently, have chronic programs with alcohol, drugs,
17 or both, or have acquired immunodeficiency syndrome and
18 related diseases) and the families of such persons.

19 “(b) DEFINITION.—For purposes of this section, the
20 term ‘shelter plus care’ means rental housing assistance,
21 in connection with supportive services funded from sources
22 other than under this section. Such rental housing assist-
23 ance may be tenant-based, project-based, or sponsor-
24 based.

1 **“SEC. 436. ADMINISTRATIVE AND CAPACITY-BUILDING EX-**
2 **PENSES.**

3 “(a) AVAILABILITY OF GRANT AMOUNTS.—A recipi-
4 ent may use grant amounts under this subtitle for the fol-
5 lowing expenses:

6 “(1) ADMINISTRATIVE EXPENSES.—During—

7 “(A) the first year in which a recipient re-
8 ceives grant amounts under this subtitle, for
9 administrative expenses in connection with
10 planning the development of, and establishing,
11 its program under this subtitle;

12 “(B) subsequent years, to defray the cost
13 of administering the program; and

14 “(C) any year in which a recipient receives
15 grant amounts under this subtitle, to defray the
16 cost of establishing and operating the board re-
17 ferred to in section 411(b).

18 Not more than 5 percent of any amounts provided
19 to a recipient under this subtitle for a fiscal year
20 may be used for activities under this paragraph.

21 “(2) CAPACITY BUILDING FOR NONPROFIT OR-
22 GANIZATIONS.—For building the capacity of private
23 nonprofit organizations to participate in the com-
24 prehensive homeless assistance system of the recipi-
25 ent, except that not more than 2 percent of any
26 amounts provided to a recipient under this subtitle

1 for a fiscal year may be used for activities under this
2 paragraph.

3 “(b) PROVISION OF ADMINISTRATIVE EXPENSES FOR
4 CERTAIN ENTITIES.—

5 “(1) PROVISION OF AMOUNTS.—Any recipient
6 under paragraph (2) shall make available, to defray
7 the administrative expenses of the designee or the
8 State, not more than 5 percent from amounts eligi-
9 ble for this purpose under subsection (a)(1).

10 “(2) RECIPIENTS COVERED.—The recipients
11 under this paragraph shall be—

12 “(A) any allocation unit of general local
13 government, Indian Tribe, or insular area, that
14 designates a public agency or a private non-
15 profit organization under section 410(a)(2);

16 “(B) any State recipient that designates a
17 public agency or a private nonprofit organiza-
18 tion under section 410(b)(3)(A)(ii); and

19 “(C) any State recipient that enters into
20 an agreement under section 410(b)(3)(A)(iii)
21 with a State.

22 **“SEC. 437. INNOVATIVE HOMELESS INITIATIVES.**

23 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
24 grant amounts under this subtitle for—

1 “(1) establishing innovative programs to dem-
2 onstrate methods of undertaking comprehensive
3 strategies for assisting homeless individuals and
4 families (including homeless individuals who have
5 the disease of acquired immunodeficiency syndrome
6 or who are infected with HIV), through cooperative
7 efforts in partnership with other levels of govern-
8 ment and the private sector (including nonprofit or-
9 ganizations, foundations, and communities) and
10 through a variety of activities, including the coordi-
11 nation of efforts and the filling of gaps in available
12 services and resources; and

13 “(2) to obtain technical assistance in establish-
14 ing a program for providing homeless assistance in
15 accordance with the provisions of this subtitle, ex-
16 cept that not more than 10 percent of the amount
17 provided to a recipient under this subtitle for a fiscal
18 year may be used under this paragraph.

19 “(b) REQUIREMENTS.—A recipient may use grant
20 amounts to establish an innovative program under sub-
21 section (a)(1) only if—

22 “(1) the existing public and private systems for
23 homelessness prevention, outreach, assessment, shel-
24 ter, services, transitional services, transitional hous-
25 ing, and permanent housing available within the ju-

1 jurisdiction of the recipient would benefit from addi-
2 tional resources to achieve a comprehensive ap-
3 proach to meeting the needs of individuals and fami-
4 lies who are homeless, or who are very low-income
5 and at risk of homelessness;

6 “(2) the recipient works cooperatively with the
7 Department of Housing and Urban Development,
8 nonprofit organizations, foundations, other private
9 entities, and the community, to the extent feasible,
10 to design and implement the program; and

11 “(3) the recipient obtains a commitment from
12 the jurisdiction to make necessary changes in policy
13 and procedure to provide sufficient flexibility and re-
14 sources as necessary to implement and sustain the
15 program.

16 **“SEC. 438. OTHER APPROVED ACTIVITIES.**

17 “The Secretary, in cooperation with grantees, recipi-
18 ents, and other appropriate parties, shall develop addi-
19 tional activities to carry out the purposes of this subtitle.

20 A recipient may use grants amounts under this subtitle
21 to carry out any such activities developed and approved
22 by the Secretary.

1 **“Subtitle B—Other Permanent Housing**
2 **Assistance Programs for the Homeless”.**

3 **SEC. 412. REGULATIONS AND TRANSITION PROVISIONS.**

4 (a) IN GENERAL.—Not later than May 1, 1997, the
5 Secretary of Housing and Urban Development (in this sec-
6 tion referred to as the “Secretary”) shall publish final reg-
7 ulations to implement the amendments made by this sub-
8 title. The final rule shall be published after notice and op-
9 portunity for public comment in accordance with section
10 553 of title 5, United States Code.

11 (b) TRANSITION PROVISIONS.—

12 (1) EMERGENCY SHELTER GRANTS PROGRAM.—

13 Notwithstanding any other provision of law, during
14 fiscal year 1997, the Secretary shall allocate grants
15 from amounts available for such year under subtitle
16 A of title IV of the Stewart B. McKinney Homeless
17 Assistance Act (as amended by this Act) in accord-
18 ance with the provisions of subtitle B of title IV of
19 the Stewart B. McKinney Homeless Assistance Act
20 (relating to emergency shelter grants), as such pro-
21 visions existed immediately before the enactment of
22 this Act.

23 (2) FAILURE TO PUBLISH REGULATIONS.—

24 (A) IN GENERAL.—If the Secretary fails to
25 publish final regulations as provided by sub-

1 section (a), the Secretary shall distribute the
2 amounts available for fiscal year 1997 under
3 subtitle A of title IV of the Stewart B. McKin-
4 ney Homeless Assistance Act (as amended by
5 this Act) (excluding amounts allocated under
6 paragraph (1)) in accordance with the following
7 provisions of title IV of the Stewart B. McKin-
8 ney Homeless Assistance Act, as such provi-
9 sions existed immediately before the enactment
10 of this Act:

11 (i) Subtitle C (relating to supportive
12 housing).

13 (ii) Subtitle D (relating to safe ha-
14 vens).

15 (iii) Subtitle F (relating to shelter
16 plus care).

17 (B) PROCEDURE.—For purposes of award-
18 ing assistance under this paragraph, the Sec-
19 retary may, as appropriate—

20 (i) provide for use of a single applica-
21 tion; and

22 (ii) publish a single notice of funding
23 availability.

24 (3) MINIMUM AMOUNTS.—The Secretary shall
25 determine the amount to be allocated for each of the

1 programs referred to in this subsection, but the
2 amount so allocated for each such program shall not
3 be less than the amount appropriated for the pro-
4 gram for fiscal year 1996.

5 (c) TECHNICAL ASSISTANCE.—Of any amounts ap-
6 propriated to carry out section 2 of the HUD Demonstra-
7 tion Act of 1993 in fiscal year 1997, the Secretary may
8 use not more than 10 percent for providing technical as-
9 sistance to assist recipients under subtitle A of title IV
10 of the Stewart B. McKinney Homeless Assistance Act (as
11 amended by this subtitle) to establish a program for pro-
12 viding homeless assistance in accordance with the provi-
13 sions of such subtitle A.

14 **SEC. 413. REPORT ON SINGLE ROOM OCCUPANCY ASSIST-**
15 **ANCE.**

16 Not later than July 1, 1997, the Secretary shall sub-
17 mit a report to the Congress evaluating the effectiveness
18 of combining the programs for assistance for single room
19 occupancy dwellings under sections 451 and 452 of the
20 Stewart B. McKinney Homeless Assistance Act (as so re-
21 designated and amended by this Act) into the program
22 for assistance under subtitle A of title IV of such Act and,
23 if effective, describing how to provide such assistance
24 under the program under such subtitle A.

1 **Subtitle B—Other Housing Assistance Pro-**
2 **grams for the Homeless Under McKinney**
3 **Act**

4 **SEC. 421. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCU-**
5 **PANCY DWELLINGS.**

6 (a) IN GENERAL.—Section 451 of the Stewart B.
7 McKinney Homeless Assistance Act (42 U.S.C. 11401(a)),
8 as so redesignated by section 411(3) of this Act, is amend-
9 ed—

10 (1) in the second sentence of subsection (c), in
11 the matter preceding paragraph (1), by striking
12 “containing” and inserting the following: “for the
13 provision of assistance under this section that is spe-
14 cifically provided for in the comprehensive homeless
15 assistance described in the application under section
16 408 of the relevant eligible grantee and that con-
17 tains”; and

18 (2) in subsection (j)(1), by inserting “recipient
19 under subtitle A,” after “authority,”.

20 (b) FUNDING.—Section 451(a) of the Stewart B.
21 McKinney Homeless Assistance Act (42 U.S.C. 11401(a)),
22 as so redesignated by section 411(3) of this Act, is amend-
23 ed to read as follows:

24 “(a) INCREASE IN BUDGET AUTHORITY.—The budg-
25 et authority available under section 5(c) of the United

1 States Housing Act of 1937 for assistance under section
 2 8(e)(2) of such Act (as in effect immediately before Octo-
 3 ber 1, 1991) is authorized to be increased by
 4 \$200,000,000 on or after October 1, 1996, by such sums
 5 as may be necessary on or after October 1, 1997, by such
 6 sums as may be necessary on or after October 1, 1998,
 7 by such sums as may be necessary on or after October
 8 1, 1999, and by such sums as may be necessary on or
 9 after October 1, 2000.”.

10 **SEC. 422. SECTION 8 ASSISTANCE FOR SHELTER PLUS CARE**
 11 **SINGLE ROOM OCCUPANCY DWELLINGS.**

12 Title IV of the Stewart B. McKinney Homeless As-
 13 sistance Act (42 U.S.C. 11361 et seq.) is amended by in-
 14 serting after section 451, as so redesignated by section
 15 411(3) of this Act, the following new section:

16 **“SEC. 452. SECTION 8 ASSISTANCE FOR SHELTER PLUS**
 17 **CARE SINGLE ROOM OCCUPANCY DWELL-**
 18 **INGS.**

19 “(a) PURPOSE.—The purpose of the program under
 20 this section is to provide assistance for the moderate reha-
 21 bilitation of single room occupancy housing to be made
 22 available for rental, in connection with supportive services
 23 funded from sources other than this section, to homeless
 24 persons with disabilities (primarily persons who are seri-
 25 ously mentally ill, have chronic problems with alcohol,

1 drugs, or both, or have acquired immunodeficiency syn-
2 drome and related diseases) and the families of such
3 persons.

4 “(b) MODERATE REHABILITATION ASSISTANCE.—
5 The Secretary may use amounts made available to carry
6 out this section for moderate rehabilitation of single room
7 occupancy housing described in section 8(l) of the United
8 States Housing Act of 1937 for occupancy by eligible per-
9 sons in accordance with this section. Such amounts may
10 be used in connection with the moderate rehabilitation of
11 efficiency units if the building owner agrees to pay the
12 additional cost of rehabilitating and operating the effi-
13 ciency units.

14 “(c) FUNDING LIMITATIONS.—

15 “(1) TARGETED POPULATIONS.—To the maxi-
16 mum extent practicable, the Secretary shall reserve
17 not less than 50 percent of all amounts made avail-
18 able to carry out this section for homeless individ-
19 uals who are seriously mentally ill or have chronic
20 problems with alcohol, drugs, or both.

21 “(2) GEOGRAPHICAL LIMITATION.—Of the as-
22 sistance made available under this section for any
23 fiscal year, not more than 10 percent may be used
24 for programs located within any one unit of general
25 local government.

1 “(d) SUPPORTIVE SERVICES REQUIREMENTS.—

2 “(1) REQUIREMENT OF MATCHING AMOUNTS.—

3 Each recipient of assistance under this section shall
4 supplement the assistance provided under this sec-
5 tion with an equal amount of funds for supportive
6 services from sources other than this section. Each
7 recipient shall certify to the Secretary its compliance
8 with this paragraph, and shall include with the cer-
9 tification a description of the sources and amounts
10 of such supplemental funds.

11 “(2) DETERMINATION OF MATCHING
12 AMOUNTS.—In calculating the amount of supple-
13 mental funds provided under this section, a recipient
14 may include the value of any lease on a building, any
15 salary paid to staff to carry out the program of the
16 recipient, and the value of the time and services con-
17 tributed by volunteers to carry out the program of
18 the recipient at a rate determined by the Secretary.

19 “(3) RECAPTURE.—If the supportive services
20 and funding for the supportive services required by
21 this subsection are not provided by a recipient, the
22 Secretary may recapture any unexpended housing
23 assistance provided under this section to the recipi-
24 ent.

1 “(e) CONTRACT REQUIREMENTS.—Each contract for
2 annual contributions entered into by the Secretary with
3 a public housing agency to obligate budget authority made
4 available to carry out this section shall—

5 “(1) commit the Secretary to make the author-
6 ity available to the public housing agency for an ag-
7 gregate period of 10 years, and require that any
8 amendments increasing the authority shall be avail-
9 able for the remainder of such 10-year period;

10 “(2) provide the Secretary with the option to
11 renew the contract for an additional period of 10
12 years, subject to the availability of authority;

13 “(3) provide that, notwithstanding any other
14 provision of law, first priority for occupancy of hous-
15 ing rehabilitated under this section shall be given to
16 homeless persons; and

17 “(4) require installation in the housing assisted
18 of a sprinkler system that protects all major spaces,
19 hard-wired smoke detectors, and any other fire safe-
20 ty improvements as may be required by State or
21 local law.

22 For purposes of this subsection, the term ‘major spaces’
23 means hallways, large common areas, and other areas
24 specified in local fire, building, or safety codes.

25 “(f) APPLICATIONS.—

1 “(1) IN GENERAL.—An application for rental
2 housing assistance under this section shall be sub-
3 mitted by an applicant in such form and in accord-
4 ance with such procedures as the Secretary shall es-
5 tablish.

6 “(2) MINIMUM CONTENTS.—The Secretary
7 shall require that an application identify the need
8 for the assistance in the community to be served and
9 shall contain at a minimum—

10 “(A) a request for housing assistance
11 under this section specifying the number of
12 units requested and the amount of necessary
13 budget authority;

14 “(B) a description of the size and charac-
15 teristics of the population of eligible persons;

16 “(C) an identification of the need for the
17 program in the community to be served;

18 “(D) the identity of the proposed service
19 provider or providers (which may be, or include,
20 the applicant) and a statement of the qualifica-
21 tions of the provider or providers;

22 “(E) a description of the supportive serv-
23 ices that the applicant proposes to assure will
24 be available for eligible persons;

1 “(F) a description of the resources that
2 are expected to be made available to provide the
3 supportive services required by subsection (d);

4 “(G) a description of the mechanisms for
5 developing a housing and supportive services
6 plan for each person and for monitoring each
7 person’s progress in meeting that plan;

8 “(H) reasonable assurances satisfactory to
9 the Secretary that the supportive services will
10 be provided for the full term of the housing as-
11 sistance under this section and a certification
12 from the applicant that it will fund the support-
13 ive services itself if the planned resources do
14 not become available for any reason;

15 “(I) a certification by the public official re-
16 sponsible for submitting the comprehensive
17 housing affordability strategy under section 105
18 of the Cranston-Gonzalez National Affordable
19 Housing Act that the proposed activities are
20 consistent with the approved housing strategy
21 of the unit of general local government within
22 which housing assistance under this section will
23 be provided; and

1 “(J) identification of the specific struc-
2 tures that the recipient is proposing for assist-
3 ance.

4 “(g) SELECTION CRITERIA.—The Secretary shall es-
5 tablish selection criteria for a national competition for as-
6 sistance under this section which shall include—

7 “(1) the ability of the applicant to develop and
8 operate the proposed assisted housing and support-
9 ive services program, taking into account the quality
10 of any ongoing program of the applicant;

11 “(2) geographic diversity among the projects to
12 be assisted;

13 “(3) the need for a program providing housing
14 assistance and supportive services for eligible per-
15 sons in the area to be served;

16 “(4) the quality of the proposed program for
17 providing supportive services and housing assistance;

18 “(5) the extent to which the proposed funding
19 for the supportive services is or will be available;

20 “(6) the extent to which the project would meet
21 the needs of the homeless persons proposed to be
22 served by the program;

23 “(7) the extent to which the program integrates
24 program recipients into the community served by the
25 program;

1 “(8) the cost-effectiveness of the proposed pro-
2 gram; and

3 “(9) such other factors as the Secretary speci-
4 fies in regulations to be appropriate for purposes of
5 carrying out the program established by this section
6 in an effective and efficient manner.

7 “(h) PARTICIPATION OF HOMELESS INDIVIDUALS.—
8 The Secretary shall, by regulation, require each recipient
9 of assistance under this section to provide for the consulta-
10 tion and participation of not less than one homeless indi-
11 vidual or former homeless individual on the board of direc-
12 tors or other equivalent policymaking entity of the recipi-
13 ent, to the extent that such entity considers and makes
14 policies and decisions regarding any housing assisted
15 under this section or services for such housing. The Sec-
16 retary may grant waivers to recipients unable to meet the
17 requirement under the preceding sentence if the recipient
18 agrees to otherwise consult with homeless or formerly
19 homeless individuals in considering and making such poli-
20 cies and decisions.

21 “(i) REQUIRED AGREEMENTS.—The Secretary may
22 not approve assistance under this section for an applicant
23 unless the applicant agrees—

24 “(1) to operate the proposed program in ac-
25 cordance with the provisions of this section;

1 “(2) to conduct an ongoing assessment of the
2 housing assistance and supportive services required
3 by the participants in the program;

4 “(3) to ensure the adequate provision of sup-
5 portive services to the participants in the program;

6 “(4) to comply with such other terms and con-
7 ditions as the Secretary may establish for purposes
8 of carrying out the program in an effective and effi-
9 cient manner; and

10 “(5) to the maximum extent practicable, to in-
11 volve homeless individuals and families, through em-
12 ployment volunteer services, or otherwise, in con-
13 structing or rehabilitating housing assisted under
14 this section and in providing services required under
15 this section.

16 “(j) HOUSING STANDARDS AND RENT REASONABLE-
17 NESS.—

18 “(1) STANDARDS REQUIRED.—The Secretary
19 shall require that—

20 “(A) before any assistance may be pro-
21 vided to or on behalf of a person, each unit as-
22 sisted under this section shall be inspected by
23 the applicant directly or by another entity, in-
24 cluding the local public housing agency, to de-
25 termine that the unit meets the housing quality

1 standards under section 8 of the United States
2 Housing Act of 1937 and that the occupancy
3 charge for the dwelling unit is reasonable; and

4 “(B) the recipient shall make at least an-
5 nual inspections of each unit assisted under this
6 section during the term of the contract for such
7 assistance.

8 “(2) PROHIBITION.—No assistance may be pro-
9 vided under this section for a dwelling unit (A) for
10 which the occupancy charge is not reasonable, or (B)
11 which fails to meet the housing standards, unless the
12 owner promptly corrects the deficiency and the re-
13 cipient verifies the correction.

14 “(k) TENANT RENT.—Each tenant of a dwelling unit
15 assisted under this section shall pay as rent an amount
16 determined in accordance with the provisions of section
17 3(a)(1) of the United States Housing Act of 1937.

18 “(l) ADMINISTRATIVE FEES.—From amounts made
19 available to carry out this section, the Secretary shall
20 make amounts available to pay the entity administering
21 the housing assistance an administrative fee in an amount
22 determined appropriate by the Secretary for the costs of
23 administering the housing assistance.

24 “(m) OCCUPANCY.—

1 “(1) OCCUPANCY AGREEMENT.—The occupancy
2 agreement between a tenant and an owner of a
3 dwelling unit assisted under this section shall be for
4 at least 1 month.

5 “(2) VACANCY PAYMENTS.—If an eligible per-
6 son vacates a dwelling unit assisted under this sec-
7 tion before the expiration of the occupancy agree-
8 ment, no assistance payment may be made with re-
9 spect to the unit after the month that follows the
10 month during which the unit was vacated, unless it
11 is occupied by another eligible person.

12 “(n) TERMINATION OF ASSISTANCE.—

13 “(1) AUTHORITY.—If an eligible individual who
14 receives assistance under this section violates pro-
15 gram requirements, the recipient may terminate as-
16 sistance in accordance with the process established
17 pursuant to paragraph (2).

18 “(2) PROCEDURE.—In terminating assistance
19 under this paragraph, the recipient shall provide a
20 formal process that recognizes the rights of individ-
21 uals receiving such assistance to due process of law.

22 “(o) DEFINITIONS.—For purposes of this section, the
23 following definitions shall apply:

24 “(1) The term ‘acquired immunodeficiency syn-
25 drome and related diseases’ has the meaning given

1 such term in section 853 of the Cranston-Gonzalez
2 National Affordable Housing Act.

3 “(2) The term ‘applicant’ means a State, unit
4 of general local government, Indian tribe, or public
5 housing agency.

6 “(3) The term ‘eligible person’ means a home-
7 less person with disabilities (primarily persons who
8 are seriously mentally ill, have chronic problems with
9 alcohol, drugs, or both, or have acquired
10 immunodeficiency syndrome and related diseases)
11 and the family of such a person.

12 “(4) The term ‘Indian tribe’ has the meaning
13 given such term in section 102 of the Housing and
14 Community Development Act of 1974.

15 “(5) The term ‘nonprofit organization’ has the
16 meaning given such term by section 104 of the
17 Cranston-Gonzalez National Affordable Housing
18 Act, and includes community mental health centers
19 established as public nonprofit organizations.

20 “(6) The term ‘person with disabilities’ has the
21 meaning given such term in section 811 of the Cran-
22 ston-Gonzalez National Affordable Housing Act.

23 “(7) The term ‘public housing agency’ has the
24 meaning given such term in section 3(b) of the Unit-
25 ed States Housing Act of 1937.

1 “(8) The term ‘recipient’ means an applicant
2 approved for participation in the program to provide
3 assistance under this section.

4 “(9) The term ‘Secretary’ means the Secretary
5 of Housing and Urban Development.

6 “(10) The term ‘seriously mentally ill’ means
7 having a severe and persistent mental or emotional
8 impairment that seriously limits a person’s ability to
9 live independently.

10 “(11) The term ‘State’ means each of the sev-
11 eral States, the District of Columbia, the Common-
12 wealth of Puerto Rico, the Commonwealth of the
13 Northern Mariana Islands, the Virgin Islands,
14 Guam, American Samoa, and any other territory or
15 possession of the United States.

16 “(12) The term ‘supportive services’ means as-
17 sistance that the Secretary determines (A) addresses
18 the special needs of eligible persons; and (B) pro-
19 vides appropriate services or assists such persons in
20 obtaining appropriate services, including health care,
21 mental health services, substance and alcohol abuse
22 services, child care services, case management serv-
23 ices, counseling, supervision, education, job training,
24 and other services essential for achieving and main-

1 taining independent living. Inpatient acute hospital
2 care shall not qualify as a supportive service.

3 “(13) The term ‘unit of general local govern-
4 ment’ has the meaning given such term in section
5 102 of the Housing and Community Development
6 Act of 1974.

7 “(p) AUTHORIZATION OF APPROPRIATIONS.—For
8 purposes of providing assistance under this section, there
9 are authorized to be appropriated \$75,000,000 for fiscal
10 year 1997 and such sums as may be necessary for each
11 of fiscal years 1998, 1999, 2000, and 2001.”.

12 **SEC. 423. RURAL HOMELESSNESS GRANT PROGRAM.**

13 (a) IN GENERAL.—Section 453 of the Stewart B.
14 McKinney Homeless Assistance Act, as so redesignated by
15 section 411(3) of this Act, is amended—

16 (1) in subsection (a), by striking “Secretary of
17 Housing and Urban Development” and inserting
18 “Secretary of Agriculture”; and

19 (2) in subsection (k), by striking paragraph (3)
20 and inserting the following new paragraph:

21 “(3) The term ‘Secretary’ means the Secretary
22 of Agriculture.”.

23 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
24 453(l)(1) of the Stewart B. McKinney Homeless Assist-

1 ance Act (42 U.S.C. 11408(l)(1)), as so redesignated by
 2 section 411(3) of this Act, is amended to read as follows:

3 “(1) IN GENERAL.—There are authorized to be
 4 appropriated to carry out this section \$30,000,000
 5 for fiscal year 1997 and such sums as may be nec-
 6 essary for each of fiscal years 1998, 1999, 2000,
 7 and 2001.”.

8 **SEC. 424. CLERICAL AMENDMENT.**

9 The table of contents in section 101(b) of the Stewart
 10 B. McKinney Homeless Assistance Act is amended by
 11 striking the items relating to title IV and inserting the
 12 following new items:

“TITLE IV—HOUSING ASSISTANCE

“Subtitle A—Flexible Grant Program

“CHAPTER 1—GENERAL PROVISIONS

- “Sec. 401. Purposes.
- “Sec. 402. Authorization of appropriations.
- “Sec. 403. Definitions.
- “Sec. 404. Provision of grants.
- “Sec. 405. Comprehensive homeless assistance.
- “Sec. 406. Matching requirements.
- “Sec. 407. Responsibilities of grantees and project sponsors.
- “Sec. 408. Application.
- “Sec. 409. Allocation and distribution of funds.
- “Sec. 410. Administration of program.
- “Sec. 411. Citizen participation.
- “Sec. 412. Applicability of other provisions.
- “Sec. 413. Reports, reviews, and audits.
- “Sec. 414. Nondiscrimination in programs and activities.
- “Sec. 415. Consultation.
- “Sec. 416. Records, reports, and audits.
- “Sec. 417. Reports to Congress.

“CHAPTER 2—ELIGIBLE ACTIVITIES

- “Sec. 431. Homelessness prevention.
- “Sec. 432. Emergency shelter.
- “Sec. 433. Supportive housing for the homeless.
- “Sec. 434. Safe havens for homeless individuals.

“Sec. 435. Shelter plus care.

“Sec. 436. Administrative and capacity-building expenses.

“Sec. 437. Innovative homeless initiatives.

“Sec. 438. Other approved activities.

“Subtitle B—Other Permanent Housing Assistance Programs for the Homeless

“Sec. 451. Section 8 assistance for single room occupancy dwellings.

“Sec. 452. Section 8 assistance for shelter plus care single room occupancy dwellings.

“Sec. 453. Rural homelessness grant program.

“Sec. 454. Use of FMHA inventory for transitional housing for homeless persons and for turnkey housing.”.

1 **Subtitle C—Miscellaneous Homeless Housing**

2 **Provisions**

3 **SEC. 431. STRATEGY TO ELIMINATE UNFIT TRANSIENT FA-** 4 **CILITIES.**

5 Section 825(b) of the Cranston-Gonzalez National
6 Affordable Housing Act (42 U.S.C. 11301 note) is
7 amended—

8 (1) in paragraph (2), by striking “and” at the
9 end;

10 (2) in paragraph (3), by striking the period at
11 the end and inserting “; and”; and

12 (3) by adding at the end the following new
13 paragraph:

14 “(4) that States and units of general local gov-
15 ernment shall eliminate the use of unfit transient fa-
16 cilities as housing for homeless families with children
17 not later than July 1, 1997, in the manner provided
18 under the strategy.”.

○