

Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009

Section By Section Analysis

SEC. 1—Short Title; Table of Contents. The short title is the "Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009".

SEC. 2—Findings and Purpose. The findings are that lack of affordable housing and housing assistance cause homelessness and that homelessness affects rural, suburban and urban communities. The purposes of the HEARTH Act are to consolidate homeless assistance programs, codify the continuum of care planning process, and establish a goal of ensuring that families who become homeless return to permanent housing within 30 days.

SEC. 3—Definition of Homelessness. Expands the statutory definition of homelessness to include the following situations:

- people who lived in a shelter or a place not meant for human habitation prior to temporarily residing in an institutional care setting would be considered homeless upon their exit;
- people who will imminently lose their housing and lack the resources and support networks needed to find other housing, including those who are being evicted within 14 days, people living in a hotel or motel and who lack the resources to stay for more than 14 days, people who are doubled up and must leave within 14 days (HUD now considers people who had to leave within 7 days to be homeless, although that was not specifically defined in statute);
- unaccompanied youth and homeless families who have not lived independently for a long time, have experienced persistent instability, and will continue to experience instability because of disability, health problem, domestic violence, addiction, abuse, or multiple barriers to employment.
- People who are fleeing or attempting to flee domestic violence (HUD now considers people in this situation to be homeless, although it is not specifically defined in statute).

HUD must issue regulations within 6 months regarding the modified definition of homelessness.

This section also clarifies that changes to the definition of homelessness in the HEARTH Act do not affect other definitions of homelessness.

SEC. 4—U.S. Interagency Council on Homelessness. Makes a number of changes to the membership, role and operation of the Interagency Council on Homelessness.

- (1) Identifies the mission of the Interagency Council: “to coordinate the federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness.”
- (2) Adds the heads of the following agencies or their designees to the Interagency Council: Social Security Administration, Department of Justice, OMB, Office of Faith-Based and Community Initiatives, and USA Freedom Corps. It requires the Council to meet at least four times a year, instead of once a year. It also requires the Executive Director of the Council to report to the Chair of the Council, which rotates among its members.

- (3) Changes the number of regional coordinators under the Interagency Council from 2-5 to 5-10 to match the number of federal regions, and also adds to the functions of the Interagency Council the following:
 - Develop a National Strategic Plan to End Homelessness no later than one year after enactment and update that plan annually;
 - Encourage the creation of state interagency councils and the formulation of 10-year plans to end homelessness at state, city, and county levels;
 - Obtain information from federal agencies about resources for which homeless people are eligible and improvements to accessing these resources; develop mechanisms to ensure that homeless people can access federal, state, and local programs for which they are eligible and verify collaboration within communities;
 - Conduct research and evaluation related to its functions;
 - Develop joint federal agency and other initiatives;
 - Develop constructive alternatives to criminalizing homelessness;
 - Convene a meeting of relevant Federal agencies, Congressional committees, local and state governments, researcher, providers, and advocates to discuss definitions of homelessness and submit transcripts and recommendations from those meetings to Congress.
- (4) Allows the Interagency Council to pay the expenses of attendance at meetings that support the functions of the Council.
- (5) Current statute allows the Council to accept, use, and dispose of property as a donation. The HEARTH Act clarifies that the Council may accept property, "both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Council."
- (6) Authorizes \$3 million for the Interagency Council on Homelessness for fiscal year 2010 and such sums as may be necessary for fiscal year 2011 and makes appropriated amounts available until expended.

TITLE I—HOUSING ASSISTANCE GENERAL PROVISIONS.

SEC. 101—DEFINITIONS. The following definitions are added or modified:

- (1) The definition of "at risk of homelessness" would include people who have incomes below 30 percent of area median, have insufficient resources to obtain housing stability, and live in an unstable or risky situation, including moving frequently, living in the housing of others, facing eviction, living in a hotel or motel, living in severely overcrowded housing, or exiting an institution. This category specifically includes all families with children and youth defined as homeless under other federal statutes.
- (2) The definition of "chronic homelessness" would include individuals and families who—
 - reside in a place not meant for human habitation, an emergency shelter, or a safe haven;

- either have been homeless in one of those places for the past year or four times in the past three years;
- have a disabling condition (for families, head of house household has a disabling condition), including a substance use disorder, serious mental illness, developmental disability, post traumatic stress disorder, brain injury, or chronic physical illness or disability.

This definition is similar to the definition included in existing HUD guidance except that it includes families with children and adds post traumatic stress disorder and brain injury to the qualifying disabling conditions.

The chronic homelessness definition also states that people who are chronically homeless prior to entering an institution for up to 90 days continue to be chronically homeless upon their exit.

- (3),(4) The terms Collaborative Applicant and Collaborative Application are defined. A Collaborative Applicant is the entity within a community that submits a joint application on behalf of all the applicants for funding in the community.
- (7) The term “families with children and youth defined as homeless under other federal statutes” means any children or youth that are defined as ‘homeless’ under any federal statute other than the HUD subtitle of the McKinney-Vento Act, but are not defined as homeless under subparagraph 103, and also includes the parent, parents, or guardian of children or youth defined as homeless under the education provisions of the McKinney-Vento Act, Title VII, Subtitle B (42 U.S.C. 11434(a)).
- (9) The definition of a "Homeless Individual with a Disability" would be modified to explicitly include people with post traumatic stress disorder or brain injuries.
- (13) The term "operating cost" means expenses incurred with respect to A) administration, maintenance, repair, and security of housing, B) utilities, fuel, furnishings, and equipment for housing, and C) coordination of services as needed to ensure long-term housing stability.
- (16) "Personally Identifying Information" includes name, address, contact information, social security number, and other information that could be used to identify an individual.
- (30) "Unified funding agency" means a collaborative applicant that receives grants from HUD and distributes them to individual recipients in the community.
- (32), (33) "Victim service provider" and "victim services" are defined. A victim service provider is a nonprofit organization whose primary mission is to provide services such as those provided by rape crisis centers and domestic violence shelters to victims of domestic violence, dating violence, sexual assault, or stalking.

The section also defines the terms consolidated plan, eligible entity, geographic area, legal entity, metropolitan city, urban county, nonentitlement area, new, outpatient health services, permanent housing, private nonprofit organization, project, project-based, project sponsor, recipient, Secretary, serious mental illness, solo applicant, sponsor based, state, supportive services, transitional housing, tenant-based, and underserved populations.

SEC. 102—COMMUNITY HOMELESS ASSISTANCE PLANNING BOARDS. A new section (402) is added that describes the nature and role of Collaborative Applicants.

- (a) Collaborative Applicants are established by the relevant parties in a geographic area to submit an application for funding.
- (b) Collaborative Applicants do not necessarily have to be legal entities.
- (c) If there is no Collaborative Applicant in a geographic area, or if the Collaborative Applicant for that area is not performing its duties, the HUD Secretary may take remedial action, which could include appointing a Collaborative Applicant or allowing organizations to apply for grants directly.
- (d) Clarifies that this section does not override other conflict of interest or government fair practice laws.
- (e) The collaborative applicant may designate an agent to apply for and receive grants and perform other administrative duties.
- (f) Duties.
 - (1) Design a collaborative process to apply for funding, evaluate outcomes, determine compliance, and establish funding priorities;
 - (2) Participate in the Consolidated Plan;
 - (3) Ensure participation in Homeless Management Information Systems (HMIS) to collect unduplicated counts of homeless people, analyze patterns of program use, determine needs, and operate in accordance with data protection and confidentiality standards developed by the Secretary;
- (g) Unified Funding.
 - (1) Under certain conditions, a Collaborative Applicant may be the grantee for funding with the responsibility to distribute funding to project sponsors. Collaborative Applicants that qualify for this responsibility are known as Unified Funding Agencies. The conditions under which this may occur are,
 - (A) the Collaborative Applicant successfully applies to be a Unified Funding Agency,
 - or

(B) HUD designates the Collaborative Applicant as a Unified Funding Agency after finding that the Collaborative Applicant has the capacity to perform that function and would further the goal of preventing and ending homelessness. HUD must also provide technical assistance to the Collaborative Applicant.

(2) A unified funding agency would be responsible for requiring that each grantee maintains proper fiscal and accounting procedures and that each grantee have an annual evaluation of their financial records.

(h) Conflict of Interest. No board member of a Collaborative Applicant may participate in a decision that financially benefits them.

SEC. 103—GENERAL PROVISIONS. New sections are added regarding preventing involuntary family separation (Sec. 404), and technical assistance (Sec. 405).

Sec. 404—Preventing Involuntary Family Separation. Starting two years after enactment, any shelter, transitional housing, or permanent housing program that serves families with children would be required to serve families regardless of the children's ages. The only exception is when a transitional housing program is using an evidence based practice that requires targeting families with children of a specific age, and only when the provider commits to ensuring that any family they do not serve has an equivalent and appropriate alternative for the entire family.

Sec. 405—Technical Assistance. Authorizes HUD to use up to 1 percent of homeless assistance funding for technical assistance to potential project sponsors and Collaborative Applicants.

SEC. 104—PROTECTION OF PERSONALLY IDENTIFYING INFORMATION BY VICTIM SERVICE PROVIDERS. A new section (Sec. 407) is added that requires that providers whose primary mission is to serve victims of domestic violence, dating violence, sexual assault, or stalking may not disclose for the purpose of a Homeless Management Information System any personally identifying information, including name, address, contact information, social security number or other specific information that could identify an individual.

SEC. 105—AUTHORIZATION OF APPROPRIATIONS. The Act authorizes \$2.2 billion for fiscal year 2010, and such sums as may be necessary for fiscal year 2011.

TITLE II—EMERGENCY SOLUTIONS GRANTS PROGRAM. This section modifies the existing Emergency Shelter Grants (ESG) program and renames it the Emergency Solutions Grants Program.

SEC. 201—GRANT ASSISTANCE. This section authorizes that 20 percent of homeless assistance funding would be for the Emergency Solutions Grants Program. It requires that recipients coordinate with Collaborative Applicants.

SEC. 202—ELIGIBLE ACTIVITIES.

Adds family support services for homeless youth, victim services, and mental health services to the list of eligible services that can be provided in shelter or as part of street outreach;

Expands homelessness prevention activities to include homelessness prevention and rehousing activities—short or medium term housing assistance, housing relocation or stabilization services, housing search, mediation or outreach to property owners, legal services, credit repair, security or utility deposits, utility payments, and assistance with moving costs—for people who are homeless or at risk of homelessness.

Eliminates the 30 percent cap on the amount that can be used for prevention and the 10 percent cap on the amount that can be used for staff and instead includes a cap—the greater of 60 percent or the amount utilized prior to enactment on the amount that can be used for traditional shelter and street outreach activities. The remaining amount would have to be used for homelessness prevention and rehousing.

SEC. 203—PARTICIPATION IN HMIS. Recipients of Emergency Solutions Grants would have to participate in the applicable Homeless Management Information System (HMIS).

SEC. 204—ADMINISTRATIVE PROVISION. Increases administrative fee to 7.5 percent (from 5 percent under current Emergency Shelter Grants program).

SEC. 205—GAO STUDY OF ADMINISTRATIVE FEES. Requires that GAO study the appropriate level of administrative fees and report to Congress within 12 months.

TITLE III—CONTINUUM OF CARE PROGRAM.

SEC. 301—CONTINUUM OF CARE. This section consolidates several existing McKinney-Vento programs (Supportive Housing Programs, Innovative Homeless, Safe Havens, Shelter Plus Care, and Mod. Rehab/SRO) into the “Continuum of Care Program.” It modifies existing sections 421 and 422 as follows:

Sec. 421—Purposes.

- (1) Promote community-wide commitment to ending homelessness;
- (2) Provide funding to quickly rehouse homeless people while minimizing trauma and dislocation;
- (3) Help people access mainstream services; and
- (4) Optimize self-sufficiency.

Sec. 422—Continuum of Care Applications and Grants.

- (a) Funds can be awarded to Collaborative Applicants that are Unified Funding Agencies (see Sec. 102 above, which establishes a new 402(g)) or directly to project sponsors.
- (b) NOFA must be released no more than 3 months after enactment of appropriations.

(c) Awards must be announced no later than 5 months after applications are due (or 6 months for the first 2 years after enactment).

(d) Obligation, Distribution and Utilization.

- (1) Project sponsors must meet all requirements for obligation no later than 9 months after an award is announced (24 months for acquisition, construction, or rehab). The Secretary may grant an extension under certain circumstances.
- (2) Funds must be obligated no later than 45 days after the project sponsor has met those requirements.
- (3) A Unified Funding Agency that receives funding must distribute funding to project sponsors no later than 45 days after receiving a request for funds from the project sponsor.
- (4) HUD may set a date by which funding must be expended. If it is not expended by that date, HUD will recapture the funds and redistribute them in the same geographic region if possible.

(e) If a Collaborative Applicant applies for funding for a renewal project, HUD may fund that renewal for 1 year, even if it was not selected for funding in the competition.

(f) When funding renewals for permanent housing leasing, operating costs, or rental assistance, HUD must take into account increases in the Fair Market Rent.

(g) If more than one Collaborative Applicant from a geographic region applies for funding, HUD will fund the higher scoring applicant.

(h) Requires HUD to set up an appeals process. The process must permit appeals by Collaborative Applicants, or individual applicants.

(i) Allows individual programs to apply for funding without going through a collaborative applicant if the applicant was not reasonably permitted to participate in the collaborative application process.

(j) Allows collaborative applicants to use up to 10 percent of their resources to serve people who are considered homeless in other federal statutes, but not under this title or to serve unaccompanied youth and families with children who are now considered homeless because they live unstably and are likely to continue to do so (see third bullet under Sec. 103). The collaborate applicant must demonstrate that the use of such funds is of an equal or greater priority or is equally or more cost effective in meeting the overall goals and objectives of the plan submitted as part of the application for funding (see Sec. 305, which creates a new section 427(b)(1)(B)), especially with respect to children and unaccompanied youth.

The 10 percent limitation is removed for collaborative applicants representing an area with a rate of homelessness of less than 0.1 percent per capita.

SEC. 302—ELIGIBLE ACTIVITIES.

(a) Eligible Activities—

- (1) Construction of new housing for transitional or permanent housing;
- (2) Acquisition or rehabilitation to provide supportive services or transitional or permanent housing;
- (3) Leasing property for supportive services or transitional or permanent housing;
- (4) Rental assistance to provide transitional or permanent housing, including project-based, tenant-based, and sponsor-based assistance. At the discretion of the provider, project-based or sponsor-based rental assistance may have an initial term of 15 years with the first 5 years paid with authorized funds and the remaining term treated as renewal assistance;
- (5) Operating costs for transitional or permanent housing;
- (6) Supportive services for individuals or families who are homeless, who were homeless up to 6 months ago, or who are in permanent supportive housing.
- (7) Rehousing services, including housing search, mediation or outreach to property owners, credit repair, providing security or utility deposits, rental assistance for a final month at a location, assistance with moving costs, or other activities that help homeless people move immediately into housing or would benefit people who have moved into permanent housing in the last 6 months;
- (8) For a Collaborative Applicant that is a legal entity, administration and oversight of Homeless Management Information Systems (HMIS);
- (9) Operation and participation in HMIS;
- (10) For a Collaborative Applicant that is a legal entity, up to 3 percent can be used for administrative costs;
- (11) For a Collaborative Applicant that is also a Unified Funding Agency, up to an additional 3 percent for administrative costs (Unified Funding Agencies would be eligible for a total of 6 percent for administrative costs);
- (12) For Project Sponsors, up to 10 percent for administrative costs.

(b) HUD can impose a minimum grant term of up to 5 years for new permanent housing projects.

(c) Use Restrictions – Projects that receive funding for construction, acquisition, or rehabilitation must be used for the purpose described in the application for at least 15 years. If a permanent or transitional housing project is no longer needed, the Collaborative Applicant can recommend to HUD that the project be converted to one that directly benefits low-income people.

(d) Repayment of Assistance and Prevention of Undue Benefit.

- (1) With the exceptions described in paragraph (3) below, if a construction, acquisition or rehabilitation project ceases to provide the transitional or permanent housing for which it was designed, it must repay some or all of the initial grant. If it has been

- operating less than 10 years, it must repay 100 percent of the grant. If it has been operating 10-20 years, it must repay 20 percent for each year less than 15 years that it operated.
- (2) With the exceptions described in paragraph (3) below, HUD may set conditions to prevent a project sponsor from unduly benefiting from the sale of a property if it received funding for construction, acquisition, or rehabilitation, and it operated that property for less than 15 years.
 - (3) A grant recipient does not have to make repayments described in paragraphs (1) and (2) if one of the following conditions applies:
 - (A) The sale or disposition of the property results in it being used for the direct benefit of very low-income people;
 - (B) The proceeds from the sale are used to provide transitional or permanent housing for homeless people;
 - (C) The project is meeting applicable standards but lost rental assistance or operating cost assistance, in which case it would still have to be affordable under the guidelines of affordability set by the Low Income Housing Tax Credit; or
 - (D) There are no homeless people in the geographic region, in which case the project can serve people at risk of homelessness.
- (e) Eligible activities include reasonable costs for staff training.
 - (f) People who are residing in permanent supportive housing are eligible to move into other permanent supportive housing units funded by this Act.
 - (g) Permanent housing rental assistance must be administered by a state or local government agency or a public housing agency.

SEC. 303—HIGH PERFORMING COMMUNITIES. Establishes a new Sec. 424 – Incentives for High-Performing Communities.

- (a) HUD may designate a Collaborative Applicant as high performing based on the criteria in paragraph (d) below. For the first two years after enactment, up to 10 Collaborative Applicants a year could be designated as high performing. If more than 10 qualify, HUD would choose the 10 best qualified. A high performance designation lasts one year, but can be renewed on an annual basis.
- (b) Application to be a High-Performing Community.
 - (1) A Collaborative Applicant must apply to HUD to be considered a high performing community.
 - (2) The application must include a report of how funding was used in the previous year and information to describe the community’s performance related to the measures described in subsection (d) below.
 - (3) HUD must publish any application in the relevant geographic area and seek public comment about whether the applicant is meeting the requirements.

(c) Use of Funds. A high performing community may use funds for any of the eligible activities listed in Section 423 (the eligible activities for the Continuum of Care Program), or for the activities in paragraphs 4 and 5 of section 415(a) (short and medium term rental assistance and rehousing activities for homeless people or people at risk of homelessness).

(d) Definition of High-Performing Community. A high-performing community must meet all 4 of the following requirements.

- (1) The mean length of episodes of homelessness is either less than 20 days or has decreased by 10 percent from the year before, taking into account similar individual circumstances;
- (2) Of the people who leave homelessness, fewer than 5 percent become homeless again in the following 2 years, or the percentage who leave homelessness and become homeless again in the following two years decreases by 20 percent from the preceding year, taking into account similar individual circumstances;
- (3) The communities that compose the geographic area have actively encouraged homeless people to participate in homeless assistance services available in the area and included each homeless person in the data they used to determine compliance with this section;
- (4) If the recipient has been designated a high performing community in the past, they were effective at reducing the number of people who became homeless in that community.
- (5) With respect to collaborative applicants exercising their flexibility under section 422(j) to serve homeless families with children and youth defined as homeless under other federal statutes, effectiveness in achieving the outcomes identified in subsection 427(b)(1)(F) (regarding achieving independent living).

(e) A Collaborative Applicant that is designated as a high performing community must cooperate with HUD in distributing information about successful efforts in the community.

SEC. 304—PROGRAM REQUIREMENTS. This section retains requirements from the Supportive Housing Program on flood protection standards, the participation of homeless people, not supplanting local funds, and due process for terminated clients. It also modifies and adds the following to Section 426 of the McKinney-Vento Act:

(a) Site Control – When applicable, an applicant must achieve site control within 12 months after being notified of an award.

(b) Required Agreements – Collaborative Applicants must agree to do the following:

- (1) Ensure that the project is operated in accordance with this Act;
- (2) Monitor and report to HUD on progress of the project;
- (3) Ensure that as much as possible, homeless people are involved in construction, rehabilitation, maintenance, operations and providing supportive services;
- (4) Require all project sponsors to certify that they will—

- (A) Maintain confidentiality of records for anyone receiving family violence or treatment services;
 - (B) Maintain the confidentiality of the location of any family violence shelter;
 - (C) Establish policies to ensure that they do not restrict the educational rights of homeless people;
 - (D) In the case of programs that provide housing or services to homeless families, that they will designate a staff person to be responsible for ensuring that children are enrolled in school and connected to appropriate services in the community, such as Head Start and other early childhood programs;
 - (E) Provide required data to HUD.
- (5) They will comply with generally accepted accounting principles;
 - (6) Monitor and report to HUD on matching funds;
 - (7) Take the educational needs of children into account when children are placed in homeless assistance programs to ensure that children are as close to their schools of origin as possible.
 - (8) Other conditions HUD may require that are consistent with the goals of this Act.

SEC. 305—SELECTION CRITERIA, ALLOCATION AMOUNTS, AND FUNDING. This section adds new sections establishing selection criteria (427), allocating funds for specific activities (428), establishing a process for funding permanent housing renewals (429), setting requirements for matching funding (430), and establishing an appeals procedure (431).

Sec. 427(a)—Selection Criteria. Funding is distributed through a national competition based on the selection criteria and a need formula:

(b) (1) Selection criteria include:

- (A) the previous performance of the recipient regarding homelessness, including reductions in the length of time people are homeless, repeat episodes of homelessness, thoroughness in reaching homeless people, reductions in the number of homeless people, jobs and income growth, prevention, and, for recipients serving people defined as homeless under other federal statutes (see Sec. 301 regarding new 422(j)), success at helping them achieve independent living;
- (B) the community's plan, which includes their plan to reduce the number of homeless individuals and families, reduce length of homeless episodes, collaborate with local education authorities to identify homeless individuals and families and inform them of their eligibility for services under the education provisions of McKinney-Vento Act (Title VII, subtitle B), address the needs of all relevant subpopulations of homeless, incorporate comprehensive strategies, set performance measures, set timelines, identify funding sources, identify entities responsible for implementation, and, for recipients serving people defined as homeless under other federal statutes, their plans to help them achieve independent living.
- (C) the methodology for setting priorities including considering the full range of opinions of stakeholders with knowledge of homelessness in the geographic

area, setting forth objective criteria, and openness to proposals from entities that have not previously received funds under this subtitle;

(D) leveraging of other public and private resources; and

(E) coordination with the other Federal, State, local, private, and other entities;

(F) for Collaborative Applicants exercising their flexibility under section 422(j) to serve households who qualify as homeless under any Federal statute other than this title, program goals and outcomes which must include:(i) preventing homelessness among those who are at highest risk of becoming homeless as defined under this title; or (ii) achieving independent living in permanent housing among such families with children and youth, especially those who have a history of instability.

(G) other factors HUD determines to be appropriate.

(2) In addition to the factors listed above, the pro-rata estimated need for funding will be considered. For 2 years, pro-rata need would be determined by HUD. After 2 years, HUD would develop a new pro-rata need formula based on the current number of homeless people, shortages of affordable housing particularly for extremely low income households, severe housing problems among extremely low-income households, severe cost burdens for extremely low income renters, and the poverty rate.

(3) HUD cannot require that communities count homeless people unless they are in places not meant for human habitation, emergency shelters, or transitional housing.

Regardless of the pro-rata need formula, HUD would adjust a community's pro-rata need to ensure enough funding to provide 1 year of renewal funding for all expiring contracts.

(c) HUD can also make adjustments to ensure that every community has enough funding to renew all of their existing projects or to ensure that no community is discouraged from replacing projects with ones they determine will better help them achieve their goals.

Sec. 428—Allocation of Amounts and Incentives for Specific Eligible Activities. At least 30 percent of funds, not including amounts for permanent housing renewals, must be used for new permanent housing for people with disabilities (individuals and families headed by a person with a disability). The calculation for this 30 percent applies nationally, not to each individual community. The 30 percent set aside would be suspended if there is not enough funding to renew existing projects. The 30 percent figure is reduced proportionately for communities that have developed enough permanent housing for all of the chronically homeless people in their geographic area. (For example, if a geographic area representing 10 percent of the nation's pro-rata need were to develop enough permanent housing to end chronic homelessness, the nationwide 30 percent requirement would be reduced to 27 percent.) The 30 percent requirement would terminate when HUD determines that 150,000 new units of permanent housing for homeless people with disabilities has been funded since 2001.

(b) At least 10 percent of funding must be used for permanent housing for families with children.

(d) HUD must provide incentives to fund interventions that are proven to be effective at reducing homelessness generally or for a specific subpopulation or for achieving homeless prevention and independent living goals under the option to serve families with children and unaccompanied youth defined as homeless under other federal statutes.

These interventions include rapid rehousing programs for homeless families, permanent supportive housing for chronically homeless individuals and families, and other interventions that HUD determines, based on research and after a period of public comment, are effective at reducing homelessness.

To the extent practicable, HUD should balance incentives for individuals, families, and other subpopulations.

The incentives cannot specifically discourage collaborative applicants from exercising their option to serve families with children and unaccompanied youth defined as homeless under other federal statutes (sec. 422(j)).

(e) If a community fully implemented any of the proven strategies, they could still receive a bonus and use it for any eligible activity, including homelessness prevention (as allowed by the ESG program).

Sec. 429—Permanent Housing Renewals. All renewals of leasing, rental assistance, or operating costs for permanent housing are funded for 1 year at a time out of either the appropriations account for this title or the appropriations account for section 8 project-based rental assistance. Project-based rental assistance may, at the discretion of the project sponsor, have a 15-year term subject to annual appropriations.

Sec. 430—Matching Funding. Collaborative Applicants must match all Continuum of Care Program funding with 25 percent from other sources, except that leasing projects, which previously had no match requirement, would continue to have no match requirement. In-kind services may count toward the match only if they are documented by a memorandum of understanding between the project sponsor and the entity providing the services.

Sec. 431—Appeals. Applicants who cannot receive certification of consistency with the consolidated plan may appeal that decision to HUD and receive a determination within 45 days of whether the certification was unreasonably withheld, in which case the application may go forward.

SEC. 306—RESEARCH. For each of fiscal years 2010 and 2011, \$8,000,000 would be authorized to research the efficacy of interventions for homeless families to study three different sites over two years to evaluate the effectiveness of those programs.

TITLE IV—RURAL HOUSING STABILITY ASSISTANCE.

SEC. 401—RURAL HOUSING STABILITY ASSISTANCE. This section modifies the Rural Homeless Assistance Program, which is authorized but has never been funded, and changes the title to the Rural Housing Stability Grant Program. The changes that would be made by this Act to the existing rural program are as follows:

(B) The purpose of the program is:

- Rehousing or improving the housing situations of people who are homeless or at risk of homelessness in the geographic area;
- Stabilizing the housing of people who are in imminent danger of losing housing; and
- Improving the ability of the lowest-income residents of the community to afford stable housing.

(C) The list of eligible activities is expanded to include construction, acquisition, rehabilitation, leasing, rental assistance, and operating costs for transitional or permanent housing.

(F) Adds to the requirements for applying for these funds the following:

- A description of consultations to determine the most important uses of funding;
- A description of the extent and nature of homelessness and the worst housing situations in the area.

(G) Requires the same uniform 25 percent match requirement as the Continuum of Care Program. As with the Continuum of Care program, leasing projects would be exempted from the match requirement. The match may be in kind when documented by a memorandum of understanding.

Replaces the selection criteria with the following:

- The participation of potential beneficiaries in determining need;
- The degree to which the project addresses the most harmful housing conditions in the community;
- The degree of collaboration with other entities;
- Performance of the organization in improving housing situations;
- For organizations that have previously received funding, the extent to which they improved conditions in the community;
- Pro-rata need;
- Other HUD determined criteria.

(I) A geographic area would be considered rural if it is in a county where at least 75 percent of the population is rural, or if it is in a state with a population density of less than 30 people per square mile and at least 1.25 percent of the acreage is under Federal jurisdiction. A metropolitan city cannot be the sole beneficiary of rural funding, even if it is located in a state that meets the criteria listed above.

(J) A rural applicant could choose to apply under the Continuum of Care Program or the Rural Housing Stability Grant Program. The funding level for an applicant for the Rural Housing Stability Grant Program would be based on the selection criteria noted above and also on their pro-rata need, calculated the same way pro-rata need is calculated when applying under the Continuum of Care Program (see Sec. 427–Selection Criteria). If a Collaborative Applicant covers more than one jurisdiction, their pro-rata need would be the sum of the pro-rata needs for all of the jurisdictions they represent.

At least 5 percent of the funding provided for subtitle C would be for the Rural Housing Stability Grant Program.

(K) If more than one entity from a rural area applies for funding, HUD would first seek agreement from the applicants about how to proceed, and if there is no agreement, HUD will fund the application that would result in the most funding for the geographic area.

SEC. 402—GAO STUDY OF HOMELESSNESS AND HOMELESS ASSISTANCE IN RURAL AREAS.

(a) Within 12 months of enactment, GAO must conduct a study of rural homelessness that includes the following:

- (1) A general description of homelessness, including the range of living situations among homeless people in rural areas, including tribal lands and colonias.
- (2) An estimate of the incidence and prevalence of homelessness in rural areas.
- (3) An estimate of the number of people who migrate from rural areas to non-rural areas to receive homeless assistance
- (4) A description of barriers that people in rural areas experience when they try to access homeless assistance and recommendations for removing those barriers.
- (5) A comparison of the rate of homelessness in rural areas and among people from rural areas to the rate of homelessness in non-rural areas and among people from non-rural areas.
- (6) A description of homeless assistance in rural areas.
- (7) A description of barriers that homeless assistance providers from rural areas encounter when trying to access federal homeless assistance and recommendations for removing those barriers.
- (8) An assessment of the type and amount of homeless assistance awarded to rural areas and whether that assistance proportional to the distribution of homeless people in rural areas.

(9) An assessment of the roles of the Departments of Housing and Urban Development and Agriculture and other Federal departments and agencies in administering homeless assistance programs in rural areas.

(b) GAO shall consult the Secretaries of Agriculture, HUD, HHS, Education, Labor, VA, the Executive Director of the Interagency Council on Homelessness, recipients of homeless assistance grants in rural areas, individuals and families in rural areas who have sought or are seeking Federal homeless assistance, and national advocacy groups concerned with homelessness, rural housing, and rural community development.

TITLE V—REPEALS AND CONFORMING AMENDMENTS. This Act would take effect on the sooner of 18 months after enactment or 3 months after HUD publishes final regulations. HUD shall promulgate regulations within 12 months of enactment.