

To: Regional Steering Committee on Homelessness and Housing

From: HomeBase

Date: November 18, 2005

Re: Proposed Amendment and Reauthorization of McKinney-Vento Act: A Summary of S.1801 Community Partnership to End Homelessness Act of 2005

INTRODUCTION

The Community Partnership to End Homelessness Act of 2005 (S.1801) was introduced by Sen. Jack Reed (RI) on September 29th. With the support of 13 co-sponsors, the Act was read twice and then referred to the Committee on Banking, Housing, and Urban Affairs. S.1801 would reauthorize the McKinney-Vento Act, and would make major amendments to the Act. Some of the major changes proposed are those in Title IV, the title that authorizes all HUD homeless housing programs. If enacted, this Act would take effect within 6 months of enactment.

BACKGROUND ON MCKINNEY-VENTO HOMELESS ASSISTANCE ACT

The Purposes of the McKinney-Vento Homeless Act that was passed in 1987 were:

1. To establish an Interagency Council on the Homeless
2. To use public resources and programs in a more coordinated manner to meet the critically urgent needs of the homeless of the Nation; and
3. To provide funds for programs to assist the homeless, with special emphasis on elderly persons, handicapped persons, families with children, Native Americans, and veterans.

COMPARISON OF FINDINGS: 1987 MCKINNEY AND 2005 S.1801

The Findings about the problem of and proposed solutions to homelessness that were set forth in the 1987 McKinney-Vento Act differ significantly from those proposed now in 2005 by S.1801 for the McKinney-Vento Act.

1987 McKinney-Vento Act

1. the Nation faces an immediate and unprecedented crisis due to the lack of shelter for a growing number of individuals and families, including elderly persons, handicapped persons, families with children, Native Americans, and veterans;
2. the problem of homelessness has become more severe and, in the absence of more effective efforts, is expected to become dramatically worse, endangering the lives and safety of the homeless;
3. the causes of homelessness are many and complex, and homeless individuals have diverse needs;

4. there is no single, simple solution to the problem of homelessness because of the difference subpopulations of the homeless, the difference causes of and reasons for homelessness, and the different needs of homeless individuals;
5. due to the record increase in homelessness, States, units of local government, and private voluntary organizations have been unable to meet the basic human needs of all the homeless and, in the absence of greater Federal assistance, will be unable to protect the lives and safety of all the homeless in need of assistance; and
6. the Federal Government has a clear responsibility and an existing capacity to fulfill a more effective and responsible role to meet the basic human needs and to engender respect for the human dignity of the homeless.

The Community Partnership to End Homelessness Act of 2005 (S.1801) would replace the above Findings with:

1. the United States faces a crisis of individual and families who lack basic affordable housing and appropriate shelter;
2. assistance from the Federal Government is an important factor in the success of efforts by State and local governments and the private sector to address the problem of homelessness in a comprehensive manner;
3. there are several Federal Government programs to assist persons experiencing homelessness, including programs for individuals with disabilities, veterans, children, and youth;
4. homeless assistance programs must be evaluated on the basis of their effectiveness in reducing homelessness, transitioning individuals and families to permanent housing and stability, and optimizing their self-sufficiency;
5. States and units of general local government receiving Federal block grant and other Federal grant funds must be evaluated on the basis of their effectiveness in—
 - a. implementing plans to appropriately discharge individuals to and from mainstream service systems; and
 - b. reducing barriers to participation in mainstream programs, as identified in—
 - i. GAO, *Homelessness: Coordination and Evaluation of Programs Are Essential* (26 Feb 1999)
 - ii. GAO, *Homelessness: Barriers to Using Mainstream Programs* (6 July 2000)
6. an effective plan for reducing homelessness should provide a comprehensive housing system (including permanent housing and, as needed, transitional housing) that recognizes that, while some individual and families experiencing homelessness attain economic viability and independence utilizing transitional housing and then permanent housing, others can reenter society directly and optimize self-sufficiency through acquiring permanent housing;
7. supportive housing activities include the provision of permanent housing or transitional housing, and appropriate supportive services, in an environment that can meet the short-term or long-term needs of persons experiencing homelessness as they reintegrate into mainstream society;
8. homeless housing and supportive services programs within a community are most effective when they are developed and operated as part of an inclusive, collaborative, locally driven homeless planning process that involves as decision makers persons experiencing homelessness, advocates for persons experiencing homelessness, service organizations,

- government officials, business persons, neighborhood advocates, and other community members;
9. homelessness should be treated as a symptom of many neighborhood, community, and system problems, whose remedies require a comprehensive approach integrating all available resources;
 10. there are many private sector entities, particularly non-profit organizations, that have successfully operated outcome-effective homeless programs;
 11. Federal homeless assistance should supplement other public and private funding provided by communities for housing and supportive services for low-income households;
 12. the Federal Government has a responsibility to establish partnership with State and local governments and private sector entities to address comprehensively the problems of homelessness; and
 13. the results of Federal programs targeted for persons experiencing homelessness have been positive.

Summary of Major Changes

Major Changes to the Findings reflect a new vantage on the problem and solutions, changed priorities and emphases, and builds upon the experience of the last 20 years.

The following points have been eliminated:

- References to special emphasis on homeless subpopulations of elderly persons, handicapped persons, families with children, Native Americans, and veterans.
- That homelessness is growing
- That without more effective efforts, homelessness will become worse
- Focus on protecting the lives and safety of homeless people
- References to the need to meet the basic human needs of homeless people
- Reference to the need to engender respect for the human dignity of homeless people

New points and additional emphases include:

- New emphasis on mainstreaming and discharge planning
- New emphasis on outcomes-based performance evaluation
- Comprehensive housing system include permanent housing and, as needed, transitional housing (no reference to shelter)
- Federal homeless assistance should supplement other assistance for low-income households.
- New emphasis on involvement of state and local government
- Recognition of value of locally-driven, inclusive, and comprehensive planning processes

And, it would make a significant change in the role of the Federal Government, from having “a clear responsibility and an existing capacity to fulfill a more effective and responsible role to meet the basic human needs and to engender respect for the human dignity of the homeless,” to being “an important factor in the success of efforts by State and local governments and the private sector to address the problem of homelessness in a comprehensive manner.”

PURPOSES OF S.1801
COMMUNITY PARTNERSHIP TO END HOMELESSNESS ACT OF 2005

1. To create a unified and performance-based process for allocating and administering funds under title IV;
2. To encourage comprehensive, collaborative local planning of housing and services programs for persons experiencing homelessness;
3. To focus the resources and efforts of the public and private sectors on ending and preventing homelessness;
4. To provide funds for programs to assist individuals and families in the transition from homelessness, and to prevent homelessness for those vulnerable to homelessness;
5. To consolidate the separate homeless assistance programs carried out under title IV into a specific program with specific eligible activities
6. To allow flexibility and creativity in rethinking solutions to homelessness, including alternative housing strategies, outcome-effective service delivery, and the involvement of persons experiencing homelessness in decision making regarding opportunities for their long-term stability, growth, well-being, and optimum self-sufficiency; and
7. To ensure that multiple Federal agencies are involved in the provision of housing, healthcare, human services, employment, and education assistance, as appropriate for the missions of agencies, to persons experiencing homelessness, through the funding provided for implementation of programs carried out under this Act and other programs targeted for persons experiencing homelessness, and mainstream funding, and to promote coordination among those Federal agencies, including providing funding for a United States Interagency Council on Homelessness to advance such coordination.

INTERAGENCY COUNCIL ON HOMELESSNESS (ON THE HOMELESS)

Name and Mission

Title II of the McKinney-Vento Act (42USC11311) establishes the Interagency Council on the Homeless as an independent establishment in the executive branch. S.1801 would change the name of the Council to the Interagency Council on Homelessness (ICH), the name with which most of us are familiar.

S.1801 would add the mission of the ICH, which would be to:

“develop and coordinate the implementation of a national strategy to prevent and end homelessness while maximizing the effectiveness of the Federal Government in contributing to an end to homelessness in the United States.”

Creation of New National Plan

S.1801 would charge the ICH with developing a National Strategic Plan to End Homelessness for submission to the President and Congress within 1 year after enactment of this Act.

In 1993, Executive Order 12848 ordered the ICH to develop a Federal Plan to Break the Cycle of Homelessness. *Priority Home: The Federal Plan to Break the Cycle of Homelessness* resulted in the creation of the Continuum of Care model in HUD's programs.

Additional Duties of ICH

S.1801 would charge the ICH with new duties of:

- encouraging the creation of State Interagency Councils on Homelessness and the formulation of multi-year plans to end homelessness at the State, city, and county levels;
- developing mechanisms to ensure access by persons experiencing homelessness to all Federal, State, and local programs for which the persons are eligible, and to verify collaboration among entities within a community that receive Federal funding under programs targeted for persons experiencing homelessness are eligible, including mainstream programs identified by the two GAO reports referenced above.

Administration

S.1801 would charge the Assistant to the President for Domestic Policy within the Executive Office of the President with overseeing the ICH in order to:

- ensure Federal interagency collaboration and program coordination to focus on preventing and ending homelessness,
- to increase access to mainstream programs (as identified in GAO, *Homelessness: Barriers to Using Mainstream Programs*, (6 July 2000)) by persons experiencing homelessness,
- to eliminate the barriers to participation in those programs
- to implement a Federal plan to prevent and end homelessness,
- and to identify Federal resources that can be expended to prevent and end homelessness.

Membership, Staff, and Meetings

Currently, the ICH is composed of the following members:

- Secretary or the designee of the Secretary of
 - Agriculture,
 - Commerce,
 - Defense,
 - Education,
 - Energy,
 - Health and Human Services,
 - Housing and Urban Development,
 - Interior,
 - Labor,
 - Transportation,
 - Veterans Affairs;
- CEO, or the designee of the CEO, of the Corporation for National and Community Service

- Director, or the designee of the Director, of the Federal Emergency Management Agency
- Administrator, or the designee of the Administrator, of General Services
- Postmaster General, or the designee of the Postmaster General
- Heads of such other Federal agencies as the Council considers appropriate, or their designees

S.1801 would add three members to the ICH:

- Commissioner, or designee of the Commissioner, of Social Security
- Attorney General, or designee of the Attorney General
- Director, or designee of the Director, of the Office of Management and Budget

S.1801 would increase the maximum number of ICH Regional Coordinators so that there would be no more than 10 Coordinators. Currently, there are to be no more than 5.

Currently, the ICH must meet at least once annually; S.1801 would increase that minimum to twice annually.

Funding for ICH

S.1801 would allocate \$3 million out of the annual amount made available to carry out Title IV subtitles B (Emergency Shelter Grant Program) and C (currently Supportive Housing Program; would become Homeless Assistance Program under this Act) to the Assistance to the President for Domestic Policy within the Executive Office of the President to carry out Title II (which covers all activities of the ICH).

CONSOLIDATION OF MCKINNEY-VENTO TITLE IV PROGRAMS

S.1801 would modify Subtitle B (Emergency Shelter Grants Program); overhaul Subtitle C (Supportive Housing Program); and repeal Subtitles D (Safe Havens for Homeless Persons Demonstration Program), E (Miscellaneous Provisions), F (Shelter Plus Care Program), and G (Rural Homeless Housing Assistance).

The resulting Title IV of the McKinney-Vento Act would be comprised of Subtitle B (Emergency Shelter Grants Program) and Subtitle C (Homeless Assistance Program). The following general provisions would apply to both Programs.

DEFINITION OF “CHRONICALLY HOMELESS”

First time in federal statute

S.1801 would insert a definition of “chronically homeless” in Title IV of the McKinney-Vento Act, authorizing what would be the ESG Program and the Homeless Assistance Program. Currently, the term “chronically homeless” does not exist in federal statute.

Broader definition

Further S.1801 would make significant changes to the definition of “chronically homeless,” as it pertains to Title IV Programs only, and not to other federal programs authorized by the McKinney-Vento Act or other legislation.

S.1801 would define “chronically homeless” as:

- an individual or family who is homeless; and,
- has been homeless continuously for at least 1 year or has been homeless on at least 4 separate occasions in the last 3 years; and,
- in the case of a family, has an adult head of household with a disabling condition (defined as a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions).

This new definition is more inclusive than the current definition, including families with a disabling condition, and people who are homeless other than only those that are sleeping in an emergency homeless shelter or in a place not meant for human habitation. (This stipulation was part of the HUD definition in the 2005 Continuum of Care NOFA.)

HomeBase believes that it is likely an error in the draft of the Act that the condition of having a disability applies only to families and not also to individuals.

“COLLABORATIVE APPLICANT” (CA)

Definition of CA

S.1801 defines a new entity called a “collaborative applicant,” that is:

- a representative community homeless assistance planning body
- Serves as the applicant for project sponsors who jointly submit a single application for a grant under the Homeless Assistance Program, in accordance with a collaborative process;
- If the CA is a legal entity and is awarded such grant, the CA receives such grant directly from the Secretary;
- Notwithstanding requirements above, a CA may be a State or local government, or a consortium of State or local governments, engaged in activities to end homelessness.

Establishment or Designation of CA

CA’s could be established by the relevant parties within a given geographic area, *or* the Secretary of HUD could *designate* a CA for a particular geographic area, if, prior to enactment of this Act, the entity had engaged in coordinated, comprehensive local homeless housing and services planning and had applied for Federal funding to provide homeless assistance.

Membership of CA

Each CA must include the following persons:

- At least 2 persons who are experiencing or have experienced homelessness,
- Persons who act as advocates for the diverse subpopulations of persons experiencing homelessness, persons or representatives of organizations who provide assistance to the variety of individuals and families experiencing homelessness,
- Relatives of individuals experiencing homelessness,
- Government agency officials, particularly those that are responsible for administering funding under programs targeted for persons experiencing homelessness, and other programs for which persons experiencing homelessness are eligible, including mainstream programs identified in 2 previously cited GAO reports,
- 1 or more local educational agency liaisons or their designees,
- members of the business community,
- members of neighborhood advocacy organizations,
- members of philanthropic organizations that contribute to preventing and ending homelessness in the geographic area of the collaborative applicant.

Duties of CA

1. to design a collaborative process for evaluating, reviewing, prioritizing, awarding, monitoring projects and applications under Homeless Assistance Program, and for evaluating the outcomes of projects funded under ESG Program;

2. to review relevant policies and practices of private and public entities served by the CA, including priority review of:
 - discharge planning and service termination policies and practices of publicly funded facilities or institutions or other entities to ensure that such discharge or termination does not result in immediate homelessness,
 - mainstream access and utilization by homeless people,
 - local practices and policies on zoning and enforcement policies and practices to allow reasonable inclusion and distribution in the geographic area of special needs populations and of families,
 - policies and practices relating to the school selection and enrollment of homeless children and youth,
 - local policies and practices relating to placement of children and youth in emergency or transitional shelters as close to their school of origin as possible;
 to correct policies and practices, as necessary; and, report to Secretary at least once every 3 years through Exhibit entitled, “Assessment of Relevant Policies and Practices, and Needed Corrective Actions to End and Prevent Homelessness.”
3. to design and carry out projects (if the CA runs projects);
4. to require outcome-based evaluation of grantees under the Homeless Assistance Program;
5. to request that state and local governments who distribute ESG funds to submit information and comments on administration of those activities to the CA;
6. to require outcome-based evaluation of the CA’s homeless assistance planning process;
7. to participate in the Consolidated Plan for the geographic areas served by the CA;
8. to require project sponsors to establish fiscal control and fund accounting procedures to ensure proper disbursement of Federal funds, including the conducting of annual reviews;
9. Conflict of Interest: No member of a CA may participate in decisions of the CA concerning the award of a grant, or provision of other financial benefits, to such member or the organization that such member represents;
10. to ensure that project sponsors funded under the ESG and Homeless Assistance Programs participate in a Homeless Management Information System.

Secretary may take remedial action against the CA if it is not meeting the requirements set forth. Remedial measures may include designating another body as CA, or permitting other eligible entities to apply directly for grants.

Legal and Non-Legal Entity CA’s

CA’s may be entities that are either legal or non-legal.

Under S.1801, a “legal entity” would be defined as:

- an entity that is tax-exempt under section 501(c)(3) of Internal Revenue Code, or
- an instrumentality of State or local government, or
- a consortium of instrumentalities of State or local governments that has constituted itself as an entity.

Legal entity CA's may apply for funds to fund HMIS under the Homeless Assistance Program.

Performance Reporting and Monitoring

CA's will submit an annual performance report regarding activities carried out with grant amounts received under ESG and Homeless Assistance Programs. These reports would include a number of specific outcome measures of numbers served and housed, numbers not served or housed, the accomplishments of the past year, strategies for the coming year, consistency and coordination between programs funded and with the Consolidated Plan.

Each funded project sponsor funded through the Homeless Assistance Program will complete a performance evaluation, and will submit a report of sponsor's recordkeeping and reporting requirements.

Secretary may provide a waiver to any CA unable to provide information with plan to submit information in future. Ongoing monitoring responsibility lies with CA for all sponsors.

Based on information obtained, Secretary may adjust, reduce, or withdraw amounts made available (or that would otherwise be made available) to collaborative applicants, or take other action as appropriate.

Technical Assistance

Secretary shall make available effective technical assistance to project sponsors, potential projects sponsors, or CA's.

SUBTITLE B. EMERGENCY SHELTER GRANTS PROGRAM

The process for distributing these formula grants would remain the same, with changes in what activities are eligible.

Under S.1801, eligible activities under ESG would include:

1. renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters;
2. provision of essential services that include services concerned with employment, health, education, and alcohol or drug abuse prevention or treatment
S.1801 would include family support services for homeless youth or mental health treatment;
3. maintenance, operation, insurance, provision, provision of utilities and furnishings;
S.1801 would eliminate the cap on the costs of staff as part of operation;
4. emergency rental assistance to prevent homelessness

S.1801 would eliminate allowances for administrative costs for ESG grantees. Currently, the administrative allowance is up to 5% of the grant amount.

SUBTITLE C. HOMELESS ASSISTANCE PROGRAM

S.1801 overhauls what is currently known as the Supportive Housing Program, and folds most components of the Supportive Housing Program into a new “Homeless Assistance Program.” It would not include programs that the Act repeals, including the Safe Havens Demonstration Program, Section 8 SRO Moderate Rehabilitation Program, the Rural Homeless Assistance Program, and the Shelter Plus Care Program. Renewal projects under Shelter Plus Care would become part of the Homeless Assistance Program (described more fully below).

The purposes of the Homeless Assistance Program would be to:

1. to implement activities to prevent vulnerable individuals and families from becoming homeless;
2. to promote the development of transitional and permanent housing, including low-demand housing;
3. to promote access to and effective utilization of mainstream programs and other programs funded by State or local resources;
4. to optimize self-sufficiency among individuals experiencing homelessness.

Collaborative Application

CA’s apply through a “collaborative application” for grants under the Community Homeless Assistance Program, a subpart of the Housing Assistance Program. The NOFA for these grants would be released not later than 3 months after enactment of the HUD appropriations bill for the coming fiscal year.

The collaborative application would be submitted to the Secretary, and would include the following elements:

- establishment or designation of the CA, including the nomination and selection process, all names of members, all meetings held in preparing the application, all meetings between representatives of the CA and persons responsible for the Consolidated Plan;
- outline range of housing and services available and unmet needs in areas of prevention, outreach, emergency shelter, transitional housing, permanent housing, supportive services;
- prioritization of projects for which the CA seeks funding according to unmet needs described;
- identify funds from private and public sources, including mainstream sources, other than those received under Subtitles B and C that will be integrated with assistance provided under both ESG and Homeless Assistance Program;
- explain how CA will meet the needs of homeless people, and will integrate new projects into existing State, local, and private strategies in the geographic area over the next 5 years;
- report on outcome-based performance of homeless programs funded the previous year;

- include certification of consistency with Consolidated Plan (with new appeals process for such certifications that are unreasonably withheld from applicant)
- include certification that all project sponsors are in accordance with laws relating to provision of educational and related services to individuals who are homeless;
- will have taken into account most recently completed annual assessments of VA medical centers or regional benefits offices in the geographic area.

Agreements required of CA for all grants to be awarded:

- ensure operation of project in accordance with provisions;
- conduct ongoing assessment of access to mainstream programs;
- monitor and report to Secretary the progress of project;
- develop and implement procedures to ensure:
 - confidentiality of records pertaining to any individual provided family violence prevention or treatment services through the project,
 - that the address or location of any family violence shelter project will not be made public;
- ensure, to maximum extent practicable, that homeless people are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;
- if a CA is distributing administrative funds to sponsors, CA must establish fiscal control and fund accounting procedures for such funds;
- comply with other terms as determined by Secretary.

Grants would be awarded to CA's, either directly or by awarding funds to project sponsors to carry out the projects. Awards would be announced within 4 months of the submission of the applications.

Secretary may renew funding for one year for previously funded project that was not selected to receive assistance.

Within 3 months of enacting this Act, the Secretary shall establish a timely appeals procedure for grant amounts awarded or denied.

Selection Criteria in National Competition

1. Capacity of applicant based on past performance and management of applicant;
2. If applicable, previous performance regarding homelessness prevention, housing, and services programs funding in any prior fiscal year;
3. Plan by which:
 - Access to permanent housing will be secured if proposed project does not include permanent housing,
 - Access to outcome-effective supportive services will be secured for residents or consumers involved in project who are willing to use the services;
4. if applicable, extent to which an evaluation for the project will:

- use periodically collected information and analysis to determine whether project has resulted in enhanced stability and well-being of residents or consumers served by project,
 - include evaluations obtained directly from individuals or families served,
 - be submitted by project sponsors for the grant, to the CA, for review and use in assessments, conducted by CA, consistent with duty of CA;
5. need for type of project proposed in geographic area to be served and extent to which prioritized programs meet unmet needs;
 6. extent to which project is supplemented with resources from other public and private sources, including mainstream programs;
 7. demonstrated coordination with other Federal, state, local, private, and other entities serving homeless people in the planning and operation of projects;
 8. extent to which membership of CA has a representative composition, and extent of membership involvement in application process;
 9. other factors as determined by Secretary.

ELIGIBLE ACTIVITIES AND REQUIREMENTS FOR PROJECTS

All Projects

- Within 9 months of award announcement, all projects (except for those with funds obligated for acquisition, construction, rehabilitation) will have met all requirements for obligation of funds, including site control, matching funds, and environmental review requirements. Within 15 months of award announcement, all projects with funds obligated for acquisition, construction, or rehabilitation will have met all requirements for obligation of funds, including site control, matching funds, and environmental review requirements. Extensions may be granted.
- Within 45 days after meeting above requirements, the funds shall be obligated to the grant recipient.
- Recipients shall distribute funds appropriate portion of funds to project sponsors within 45 days after receiving request from project sponsor.
- Funds must be expended by a date set by the Secretary, after which the Secretary may recapture unexpended funds. Recaptured funds will be reallocated to another project in the same geographic area.
- Cash match for entire grant would be set at minimum of 25% of grant funds (1:4 match)

Construction Activities

- of new units to provide transitional or permanent housing
- Must be operated for at least 15 years (current minimum is 20 years)
- No limit on request amount (current limit is \$400,000 per project)
- No matching funds required (currently is 1:1 match)

Acquisition or Rehabilitation Activities

- for a structure to provide supportive services, transitional housing, or permanent housing, other than emergency shelter
- Must be operated for at least 15 years (current minimum is 20 years)
- No limit on request amount *if* for transitional housing or permanent housing (current limit is \$200,000 up to \$400,000 per project of any kind)
- No matching funds required (currently is 1:1 match)

Repayment of acquisition, construction, rehabilitation funds:

- If a project that has received these funds ceases to provide transitional or permanent housing, and if operation began less than 10 years ago, 100% of assistance must be repaid;
- If operation began 10 years up to 15 years ago, 20% of assistance for each of the years in the 15 year period that the project fails to provide housing, must be repaid by grant recipient or project sponsor receiving funds from grant recipient.
- If sale or other disposition of property occurs before end of 15 years, the grant recipient or project sponsor may not receive an undue benefit from the sale.
- However, if the sale results in the direct benefit of very low-income people, OR if all of the proceeds are used to provide transitional or permanent housing.

Leasing Activities

- of property for use in providing supportive services, transitional housing, or permanent housing
- (currently no cash match requirement)

Rental Assistance Activities

- tenant-based or project-based
- for transitional or permanent housing
- (currently no cash match requirement)

Operations Activities

- for transitional or permanent housing units
- definition of “operating costs” would include, for supportive housing (transitional or permanent) serving individuals with a disability or families that include such an individual, the costs to “coordinate the provision of supportive services required for long term stability.”
- No cash match required for operations costs of renewal permanent housing projects that:
 - house individuals or families whose incomes are 50% or less of AMI in geographic area

- that receives no other Federal or State funds from a source other than the Homeless Assistance Program
- (Current cash match is 1:3 match for operations of all transitional and permanent housing)

Supportive Services Activities

- UNTIL the end of the 3rd fiscal year after enactment of Act, the following supportive services would be allowed:
 - Establishing and operating a child care services program for homeless families;
 - Establishing and operating an employment assistance program, including providing job training;
 - Providing outpatient health services, food, and case management;
 - Providing assistance in obtaining permanent housing, employment counseling, and nutritional counseling;
 - Providing outreach services, life skills training, and housing search and counseling services;
 - Providing assistance in obtaining other federal, state, and local assistance available for residents of supportive housing (including mental health benefits, employment counseling, and medical assistance, but not including major medical equipment);
 - Providing legal services for purposes including requesting reconsiderations and appeals of veterans and public benefit claim denials and resolving outstanding warrants that interfere with an individual's ability to obtain and retain housing;
 - To obtain and maintain housing, providing transportation services that facilitate an individual's ability to obtain and maintain employment, income assistance, health care, and other supportive services necessary;
 - Providing other services deemed necessary to be directly relevant to allowing homeless persons to access and retain housing.
- Within 30 days of enacting this Act, the GAO will annually report on the amount of other federal funding available for all of the currently eligible supportive services. If in any year after the 3rd year, the determination is made that there is adequate federal funding outside of the Homeless Assistance Program to fund certain supportive services, then only the following supportive services activities would be eligible under the Homeless Assistance Program:
 - Job training,
 - Case management,
 - Outreach services,
 - Life skills training,
 - Housing counseling services, and
 - other services deemed necessary to be directly relevant to allowing homeless persons to access and retain housing.
- (Current cash match is 1:4 for supportive services costs)

Prevention Activities

- CA's could use up to 5% of grant for prevention activities.
- Prevention activities would include:
 - emergency rental assistance to prevent homelessness;
 - relocation activities for moving into transitional or permanent housing people who:
 - ♣ lack housing,
 - ♣ are being discharged from publicly funded acute care or long-term care facility, program, or system of care, or whose services are being terminated,
 - ♣ who have plans, developed by public entities involved and the individuals and families, for securing or maintaining housing under this Subtitle;
 - family support services that promote reunification of:
 - ♣ homeless youth and their families,
 - ♣ children or youth involved with child welfare or juvenile justice systems, with their parents or guardians.
- Eligibility for Prevention Funds:
 - Applicants must certify that relevant public entities will supplement, not supplant, funding for prevention, and that,
 - Publicly funded institutions will take and fund directly all reasonable measures to ensure that institutions do not discharge individuals into homelessness.

HMIS Activities

Legal entity CA's would be eligible to apply for funding for HMIS.

Administrative Activities

- For legal entity CA's, up to 6% of total funds made available may be used for administrative costs related to planning, administering awards for, monitoring, and evaluating projects, and ensuring compliance with HMIS requirements.
- Project sponsors receiving funds from the CA may use up to an additional 5% of grant for administrative costs.

Incentives to Create New Permanent Housing

- Through awards, there would be incentives to CA's to promote the creation of new permanent housing units through the *construction, or acquisition and rehabilitation, of permanent housing units*.
- CA's that receive assistance to implement a project that involves construction, acquisition and rehabilitation of new permanent housing units, that are owned by project sponsor or other independent entity in contract with grant recipient or project sponsor, and that would serve:
 - chronically homeless individuals and chronically homeless families, or,

- non-disabled homeless families (homeless families with no adult head of household with a disabling condition).

If serving chronically homeless individuals and chronically homeless families, would receive incentives consisting of:

- funds for up to 10 years of rental assistance,
- bonus amount to carry out these activities, and
- technical assistance needed to ensure viability and programmatic effectiveness of project.

If serving non-disabled families, would receive incentives consisting of:

- bonus amount to carry out these activities, and
- technical assistance needed to ensure viability and programmatic effectiveness of project.

FUNDING AVAILABLE

Upon release of NOFA, pro rata need estimate will be made available to each CA for the geographic area represented by the CA.

Estimates will be based on a percentage of the total funds available, or estimated to be available, for coming fiscal year. Formula for calculating the estimates is the same as the current one used for formulating pro rata need estimates for each HUD-defined geographic area. As it is now with CoC's, CA's that represent a combination of geographic areas would be eligible to apply for the sum of those areas' need estimates.

Further, the Secretary may increase the estimated need amount for a geographic area if necessary in order to provide 1 year of renewal funding for all expiring contracts entered into under the Homeless Assistance Program. (This maintains the renewal bump/hold harmless adjusted amount.)

Total allocation of \$1.6 billion for FY2006, and such sums as may be necessary for FY2007, 2008, 2009, and 2010 for funding the ESG and Homeless Assistance Programs.

Of the annual allocation for both the ESG and Homeless Assistance Programs:

- \$3 million of this would fund the Interagency Council on Homelessness.
- up to 1% of this would fund Technical Assistance.
- no more than 15% of this could be used for ESG eligible activities.

Of the annual allocation for the Homeless Assistance Program:

- no more than 5% of the total funds made available for both the Homeless Assistance Program and ESG Program for prevention activities.
- at least 30% of the total funds made available for both the Homeless Assistance Program and ESG Program shall be used to develop permanent housing for homeless individuals with disabilities and homeless families that include such an individual who is an adult. In calculating the 30%, permanent housing renewals funded through the Homeless Assistance Program will *not* be considered.

- such sums as may be necessary shall be designated for the purpose of funding permanent housing renewals. Such renewal funds may be made available for 1 year for costs of rental assistance and housing operation costs associated with permanent housing renewal project funded under Homeless Assistance Program, or under the current Supportive Housing or Shelter Plus Care Programs. (Excludes permanent housing renewal projects funded under the Section 8 SRO Moderate Rehabilitation Program.) The Secretary shall determine whether to renew such a permanent housing project on the basis of demonstrated need for project with appropriate standards of housing quality and habitability.

Of amount that is awarded through the permanent housing incentive of the annual allocation for the Homeless Assistance Program:

- no more than 10% will go to projects serving non-disabled homeless families.

S.1801 repeals 42USC11389 that, among other things, sets forth the following set-asides in the existing Supportive Housing Program:

- At least 25% annual allocation to projects serving primarily homeless families;
- At least 25% annual allocation to projects serving primarily homeless persons with disabilities;
- At least 10% annual allocation to supportive services *not* provided in conjunction with supportive housing.

Questions:

1. How would these changes improve or weaken the McKinney-Vento Act?
2. What impact might these changes have in your community?
3. What kind of questions do you want us to learn more about for you?

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