

How Funding Could Be Used

CONSOLIDATION OF MCKINNEY-VENTO TITLE IV PROGRAMS

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

The resulting Title IV of the McKinney-Vento Act would be comprised of Subtitle B (called the Emergency Shelter Grants Program) and Subtitle C (called the Homeless Assistance Program).

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

Of the annual allocation for both the ESG and Homeless Assistance Programs, no more than 15% of this could be used for ESG eligible activities

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.

The purposes of the Homeless Assistance Program are 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.

ELIGIBLE ACTIVITIES UNDER SUBTITLE C

All Projects

- Cash match for each project would be set at minimum of 25% of grant funds

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)
- (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 (current limit is \$200,000 up to \$400,000 per project)
- (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.
- Repayments are not required 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.

Conversion of project:

- A transitional housing or permanent housing project grant recipient or sponsor can request that the project instead be used “for the direct benefit of low-income persons.” The request is made to the Collaborative Applicant; if the CA determines the project is no longer needed to provide transitional or permanent housing, it may recommend the change to the Secretary of HUD. (If the CA is the recipient or project sponsor, it makes the request directly to Secretary.)

Leasing Activities

- of property (not owned by recipient of sponsor) 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, but is 1:1 in-kind supportive services requirement for rental assistance under current S+C programs)

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 25% 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 20% for supportive services costs)

Prevention Activities

- CA's could use up to 5% of funds available through the grant for prevention activities.
- Prevention activities would include:
 - emergency rental, mortgage, or utility assistance to prevent homelessness, *if*:
 - inability to make payments is due to a sudden reduction in income,
 - assistance is necessary to avoid eviction foreclosure, termination of services, and,
 - there is a reasonable prospect that payments can be resumed within reasonable period of time by family or individual;
 - 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, other federal, state, and local funding used for homeless 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 to establish, continue, carry out or ensure compliance with HMIS requirements.

Administrative Activities

- For legal entity CA's, up to 6% of total funds made available through the grant 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 such administrative costs as measuring outcomes of the homeless assistance planning process of a CA; effective and timely implementation of projects relative to projected outcomes; and for housing projects, compliance with housing quality and habitability standards.

Technical Assistance

- up to 1% of the annual allocation for both ESG and Homeless Assistance Programs would fund Technical Assistance.
- Secretary shall make available effective technical assistance to project sponsors, potential projects sponsors, or CA's.

