

ENDING HOMELESSNESS ACT OF 2019

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JULY 5, 2019.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed
—————

Ms. MAXINE WATERS of California, from the Committee on
Financial Services, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 1856]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 1856) to provide a path to end homelessness in the United States, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Purpose and Summary	7
Background and Need for Legislation	7
Section-by-Section Analysis	10
Hearings	13
Committee Consideration	13
Committee Votes	13
Statement of Oversight Findings and Recommendations of the Committee	21
Statement of Performance Goals and Objectives	21
New Budget Authority and CBO Cost Estimate	21
Committee Cost Estimate	27
Unfunded Mandate Statement	27
Advisory Committee	28
Committee Correspondence	29
Application of Law to the Legislative Branch	32
Earmark Statement	32
Duplication of Federal Programs	32
Changes to Existing Law	32

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Ending Homelessness Act of 2019”.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

- (1) although the United States has experienced a reduction in veteran homelessness after a surge of new Federal funding targeted to homeless veterans starting in fiscal year 2008, major progress towards the national goals for ending homelessness in our Nation has virtually stalled in the absence of increased funding;
- (2) according to the Department of Housing and Urban Development’s 2018 point-in-time count, there were 552,830 people experiencing homelessness in the United States on any given night, including nearly 160,000 children and youth;
- (3) homelessness in many communities has reached crisis proportions and some cities have declared that homelessness has reached a state of emergency; and
- (4) the Federal Government must renew its commitment to the national goals to end homelessness.

SEC. 3. FUNDING TO ADDRESS UNMET NEEDS.

Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360 et seq) is amended—

- (1) by redesignating section 491 (42 U.S.C. 11408; relating to rural housing stability grant program) as section 441;
- (2) by redesignating section 592 (42 U.S.C. 11408a; relating to use of FMHA inventory for transitional housing for homeless persons and for turnkey housing) as section 442; and
- (3) by adding at the end the following new subtitle:

“Subtitle E—5-Year Path to End Homelessness

“SEC. 451. FUNDING TO ADDRESS UNMET NEEDS.

“(a) **DIRECT APPROPRIATIONS.**—There is appropriated out of any money in the Treasury not otherwise appropriated for each of fiscal years 2020 through 2024, \$1,000,000,000, to remain available until expended, for emergency relief grants under this section to address the unmet needs of homeless populations in jurisdictions with the highest need.

“(b) **FORMULA GRANTS.**—

“(1) **ALLOCATION.**—Amounts appropriated under subsection (a) for a fiscal year shall be allocated among collaborative applicants that comply with section 402, in accordance with the funding formula established under paragraph (2) of this subsection.

“(2) **FORMULA.**—The Secretary shall, in consultation with the United States Interagency Council on Homeless, establish a formula for allocating grant amounts under this section to address the unmet needs of homeless populations in jurisdictions with the highest need, using the best currently available data that targets need based on key structural determinants of homelessness in the geographic area represented by a collaborative applicant, which shall include data providing accurate counts of—

“(A) the poverty rate in the geographic area represented by the collaborative applicant;

“(B) shortages of affordable housing for low-, very low-, and extremely low-income households in the geographic area represented by the collaborative applicant;

“(C) the number of overcrowded housing units in the geographic area represented by the collaborative applicant;

“(D) the number of unsheltered homeless individuals and the number of chronically homeless individuals; and

“(E) any other factors that the Secretary considers appropriate.

The formula shall provide priority to collaborative applicants for which the local governments, within the area served by the applicant, have adopted local policies, such as through zoning and regulation, that leverage the private sector’s participation to provide housing that is reserved and affordable to low-, very low-, and extremely low-income households, as defined by the Secretary, for a minimum term of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall

ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

“(3) GRANTS.—For each fiscal year for which amounts are made available under subsection (a), the Secretary shall make a grant to each collaborative applicant for which an amount is allocated pursuant to application of the formula established pursuant to paragraph (2) of this subsection in an amount that is equal to the formula amount determined for such collaborative applicant.

“(4) TIMING.—The funding formula required under paragraph (2) shall be established by regulations issued, after notice and opportunity for public comment, not later than 6 months after the date of enactment of this section.

“(c) USE OF GRANTS.—

“(1) IN GENERAL.—Subject to paragraphs (2) through (4), a collaborative applicant that receives a grant under this section may use such grant amounts only for eligible activities under section 415, 423, or 441(b).

“(2) PERMANENT SUPPORTIVE HOUSING REQUIREMENT.—

“(A) REQUIREMENT.—Except as provided in subparagraph (B), each collaborative applicant that receives a grant under this section shall use not less than 75 percent of such grant amount for permanent supportive housing, including capital costs, rental subsidies, and services.

“(B) EXEMPTION.—The Secretary shall exempt a collaborative applicant from the applicability of the requirement under subparagraph (A) if the applicant demonstrates, in accordance with such standards and procedures as the Secretary shall establish, that—

“(i) chronic homelessness has been functionally eliminated in the geographic area served by the applicant; or

“(ii) the permanent supportive housing under development in the geographic area served by the applicant is sufficient to functionally eliminate chronic homelessness once such units are available for occupancy.

The Secretary shall consider and make a determination regarding each request for an exemption under this subparagraph not later than 60 days after receipt of such request.

“(3) LIMITATION ON USE FOR ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the total amount of any grant under this section to a collaborative applicant may be used for costs of administration.

“(4) HOUSING FIRST REQUIREMENT.—The Secretary shall ensure that each collaborative applicant that receives a grant under this section is implementing, to the extent possible, and will use such grant amounts in accordance with, a Housing First model for assistance for homeless persons.

“(d) RENEWAL FUNDING.—Expiring contracts for leasing, rental assistance, or permanent housing shall be treated, for purposes of section 429, as expiring contracts referred to in subsection (a) of such section.

“(e) REPORTING TO CONGRESS.—

“(1) ANNUAL REPORTS.—Not later than the expiration of the 12-month period beginning upon the first allocation of amounts made after the date of the enactment of this Act pursuant to subsection (b)(1), and annually thereafter, the Secretary and the United States Interagency Council on Homelessness shall submit a report to the Committees on Financial Services and Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Appropriations of the Senate providing detailed information regarding the grants made under this section during the preceding year, the activities funded with such grant amounts, and the impact of such activities on the communities where such activities took place.

“(2) COLLECTION OF INFORMATION BY SECRETARY.—The Secretary shall require each collaborative applicant that receives a grant under this section to submit such information to the Secretary as may be necessary for the Secretary to comply with the reporting requirement under paragraph (1).

“SEC. 452. SPECIAL PURPOSE VOUCHERS.

“(a) DIRECT APPROPRIATION.—There is appropriated out of any money in the Treasury not otherwise appropriated for each of fiscal years 2020 through 2024, \$500,000,000, to remain available until expended, which shall be used as follows:

“(1) RENTAL ASSISTANCE.—Except as provided in paragraph (2), such amount shall be used for incremental assistance for rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) for persons and

households who are homeless (as such term is defined in section 103 (42 U.S.C. 11302)), which assistance shall be in addition to such assistance provided pursuant to renewal of expiring contracts for such assistance.

“(2) ADMINISTRATIVE FEES.—The Secretary may use not more than 10 percent of such amounts provided for each fiscal year for administrative fees under 8(q) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)). The Secretary shall establish policies and procedures to provide such fees to the extent necessary to assist homeless persons and families on whose behalf rental assistance is provided to find and maintain suitable housing.

“(b) ALLOCATION.—The Secretary shall make assistance provided under this section available to public housing agencies based on geographical need for such assistance by homeless persons and households, as identified by the Secretary, public housing agency administrative performance, and other factors as specified by the Secretary. In allocating assistance among public housing agencies, the Secretary shall provide priority to agencies having jurisdictions in which the local governments within such jurisdictions have adopted local policies, such as through zoning and regulation, that leverage the private sector’s participation to provide housing that is reserved and affordable to low-, very low-, and extremely low-income households, as determined by the Secretary, for a minimum term of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

“(c) AVAILABILITY.—Assistance made available under this section shall continue to remain available only for homeless persons and households upon turn-over.

“(d) RENEWAL FUNDING.—Renewal of expiring contracts for rental assistance provided under subsection (a) and for administrative fees under such subsection shall, to the extent provided in appropriation Acts, be funded under the section 8 tenant-based rental assistance account.

“(e) WAIVER AUTHORITY.—Upon a finding by the Secretary that a waiver or alternative requirement pursuant to this subsection is necessary to ensure that homeless persons and households can obtain housing using rental assistance made available under this section, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this section (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) that relates to screening of applicants for assistance, admission of applicants, and selection of tenants. The Secretary shall require public housing agencies receiving rental assistance funding made available under this section to take all reasonable actions to help assisted persons and families avoid subsequent homelessness.

“SEC. 453. OUTREACH FUNDING.

“(a) DIRECT APPROPRIATION.—There is appropriated out of any money in the Treasury not otherwise appropriated for each of fiscal years 2020 through 2024, \$100,000,000, to remain available until expended, to the Secretary for grants under this section to provide outreach and coordinate services for persons and households who are homeless or formerly homeless.

“(b) GRANTS.—

“(1) IN GENERAL.—The Secretary shall make grants under this section on a competitive basis only to collaborative applicants who comply with section 402.

“(2) PRIORITY.—The competition for grants under this section shall provide priority—

“(A) to collaborative applicants who submit plans to make innovative and effective use of staff funded with grant amounts pursuant to subsection (c); and

“(B) to collaborative applicants for which the local governments, within the area served by the applicant, have adopted local policies, such as through zoning and regulation, that leverage the private sector’s participation to provide housing that is reserved and affordable to low-, very low-, and extremely low-income households, as defined by Secretary, for a minimum term of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure

health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

“(c) USE OF GRANTS.—A collaborative applicant that receives a grant under this section may use such grant amounts only for providing case managers, social workers, or other staff who conduct outreach and coordinate services for persons and households who are homeless or formerly homeless.

“(d) TIMING.—The Secretary shall establish the criteria for the competition for grants under this section required under subsection (b) by regulations issued, after notice and opportunity for public comment, not later than 6 months after the date of enactment of this section.”.

SEC. 4. HOUSING TRUST FUND.

(a) FUNDING.—

(1) ANNUAL FUNDING.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for each of fiscal years 2020 through 2024, \$1,000,000,000, to remain available until expended, which shall be credited to the Housing Trust Fund established pursuant to section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568) for use under such section.

(2) RENTAL ASSISTANCE.—There is appropriated, out of any money in the Treasury not otherwise appropriated, for each of fiscal years 2020 through 2024, \$50,000,000, to remain available until expended, for incremental project-based voucher assistance or project-based rental assistance, to be allocated to States pursuant to the formula established under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568), to be used solely in conjunction with grant funds awarded under such section 1338.

(3) PRIORITY FOR HOUSING THE HOMELESS.—

(A) PRIORITY.—During the first 5 fiscal years that amounts are made available under this subsection, the Secretary of Housing and Urban Development shall ensure that priority for occupancy in dwelling units described in subparagraph (B) that become available for occupancy shall be given to persons and households who are homeless (as such term is defined in section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)).

(B) COVERED DWELLING UNITS.—A dwelling unit described in this subparagraph is any dwelling unit that—

(i) is located in housing that was at any time provided assistance with any amounts from the Housing Trust Fund referred to paragraph

(1) that were credited to such Trust Fund by such paragraph; or

(ii) is receiving assistance described in paragraph (2) with amounts made available under such paragraph.

(b) TENANT RENT CONTRIBUTION.—

(1) LIMITATION.—Subparagraph (A) of section 1338(c)(7) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)(A)) is amended—

(A) by striking “except that not less than 75 percent” and inserting the following: “except that—

“(i) not less than 75 percent”;

(B) by adding at the end the following new clause:

“(ii) notwithstanding any other provision of law, all rental housing dwelling units shall be subject to legally binding commitments that ensure that the contribution toward rent by a family residing in the dwelling unit shall not exceed 30 percent of the adjusted income (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) of such family; and”.

(2) REGULATIONS.—The Secretary of Housing and Urban Development shall issue regulations to implement section 1338(c)(7)(A)(ii) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as added by the amendment made by paragraph (1)(B) of this section, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act.

SEC. 5. TECHNICAL ASSISTANCE FUNDS TO HELP STATES AND LOCAL ORGANIZATIONS ALIGN HEALTH AND HOUSING SYSTEMS.

(a) FUNDING.—There is hereby made available to the Secretary of Housing and Urban Development \$20,000,000, to remain available until expended, for providing technical assistance under section 405 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361(b)) to integrate and coordinate assistance provided under the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.) with health care

funded by Federal programs, in collaboration with the United States Interagency Council on Homelessness and the Secretary of Health and Human Services.

(b) USE.—In allocating amounts made available by subsection (a), the Secretary shall seek to—

(1) assist States and localities in integrating and aligning policies and funding between Medicaid programs, behavioral health providers, and housing providers to create supportive housing opportunities; and

(2) engage State Medicaid program directors, Governors, State housing and homelessness agencies, any other relevant State offices, and any relevant local government entities, to assist States in increasing use of their Medicaid programs to finance supportive services for homeless persons.

(c) PRIORITY.—In using amounts made available under this section, the Secretary shall give priority—

(1) to use for States and localities having the highest numbers of chronically homeless persons; and

(2) to assist localities that have adopted local policies, such as through zoning and regulation, that leverage the private sector's participation to provide and make housing affordable for low-, very low-, and extremely low-income household, as defined by the Secretary, for a minimum of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

SEC. 6. PERMANENT AUTHORIZATION OF APPROPRIATIONS FOR MCKINNEY-VENTO HOMELESS ASSISTANCE ACT GRANTS.

Section 408 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11364) is amended to read as follows:

“SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title such sums as may be necessary for each fiscal year.”.

SEC. 7. PERMANENT EXTENSION OF UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS.

Section 209 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11319) is hereby repealed.

SEC. 8. ELIGIBILITY OF PRIVATE NONPROFIT ORGANIZATIONS FOR FUNDING.

Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall provide that private nonprofit organizations (as such term is defined in section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360)) that are eligible entities (as such term is defined in such section 401), including faith-based such organizations that are eligible entities, shall be eligible for assistance made available or authorized by this Act or by the amendments made by this Act (but not including assistance under section 452 of the McKinney-Vento Homeless Assistance Act, as added by section 3 of this Act), and shall be eligible to be subgrantees for entities receiving amounts made available or authorized by this Act or by the amendments made by this Act.

SEC. 9. ELIGIBILITY OF FAITH-BASED ORGANIZATIONS.

Notwithstanding any other provision of law, in determining eligibility for assistance made available by this Act or the amendments made by this Act or for which appropriations are authorized by this Act or the amendments made by this Act, the status of an entity as faith-based or the possibility that an entity may be faith-based may not be a basis for any discrimination against such entity in any manner or for any purpose.

SEC. 10. EMERGENCY DESIGNATION.

(a) IN GENERAL.—The amounts provided by this Act, and the amendments made by this Act, are designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933(g)).

(b) DESIGNATION IN SENATE.—In the Senate, this Act and the amendments made by this Act are designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SEC. 11. CONFORMING AMENDMENTS.

The table of sections in section 101(b) of the McKinney-Vento Homeless Assistance Act is amended—

- (1) in the item relating to title II, by striking “INTERAGENCY COUNCIL ON THE HOMELESS” and inserting “UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS”;
 - (2) by striking the item relating to section 209; and
 - (3) in the item relating to section 491, by striking “491” and inserting “441”;
 - (4) in the item relating to section 492, by striking “492” and inserting “442”;
- and
- (5) by inserting before the item relating to title V the following:

“Subtitle E—5-Year Path to End Homelessness

“Sec. 451. Funding to address unmet needs.

“Sec. 452. Special purpose vouchers.

“Sec. 453. Outreach funding.”.

PURPOSE AND SUMMARY

On March 25, 2019, Chairwoman Maxine Waters introduced H.R. 1856, The Ending Homelessness Act of 2019, which provides a comprehensive plan to end homelessness in America. The bill would appropriate \$13.27 billion in mandatory funding over five years to several critical federal housing programs and initiatives, providing the resources necessary to effectively address the homelessness crisis in America. If enacted, this bill is estimated to fund the creation of 410,000 new units of housing for people experiencing homelessness.

BACKGROUND AND NEED FOR LEGISLATION

The U.S. Department of Housing and Urban Development (HUD) releases the Annual Homeless Assessment Report (AHAR) to Congress, which provides the best available estimates of the homeless population in the United States. The results of the 2018 AHAR count found that there are over 550,000 people experiencing homelessness in America on a given night.¹ This represents a slight increase from the previous year. The AHAR also provides details on the demographics of people that are experiencing homelessness. In 2018, nearly 160,000 children and youth experienced homelessness, representing nearly 30 percent of the total, and over 216,000 women and girls experienced homelessness, or 40 percent of the total. Also, racial minorities were disproportionately represented among people experiencing homelessness in 2018. African Americans comprised 40 percent of all people experiencing homelessness, despite making up only 13 percent of the nation’s general population, and Hispanic or Latino people comprised 25 percent of the total, despite making up only 18 percent of the nation’s general population. These figures signal that not only is homelessness increasing in America, but certain demographics are especially at risk of experiencing homelessness.

The causes of homelessness are complex and varied, but the growing rental housing crisis in many parts of the country has been a contributor in driving the lowest income families into homelessness. According to the National Low Income Housing Coalition (NLIHC), the U.S. has a shortage of more than 7.2 million rental

¹ U.S. Department of Housing and Urban Development Office of Community Planning and Development, “The 2018 Annual Homeless Assessment Report (AHAR) to Congress, Part 1: Point-in-Time Estimates of Homelessness” December 2018. Available at: <https://www.hudexchange.info/resources/documents/2018-AHAR-Part-1.pdf>

homes that are both affordable and available to the lowest income renter households.² While the issue is more acute in some areas, there is no state that has an adequate supply of affordable rental housing for the lowest income renters.³ This lack of affordable housing is contributing to increased rents, which is causing many families to struggle to afford their rent and remain stably housed. In fact, 71 percent of the lowest income renter households are severely cost burdened, meaning they are spending more than half of their incomes on rent and utilities.⁴ Further, there is no state, metropolitan area, or county where a worker earning minimum wage can afford a two-bedroom rental home at fair market rent, and there are only 22 counties in the country, where they can afford a one-bedroom rental home.⁵

Congress has responded to the homelessness crisis by creating several federal programs in seven different agencies that serve people experiencing homelessness. HUD plays a primary role in the federal response to homelessness through the administration of three main homeless assistance programs. First, the Emergency Solutions Grants (ESG) program focuses on the emergency shelter and service needs of people experiencing homelessness, as well as homelessness prevention and rapid rehousing. Second, the Continuum of Care (CoC) program focuses on providing longer-term housing and services for people experiencing homelessness and is the largest federal program that primarily serves people experiencing homelessness. While supportive services are eligible uses of ESG and CoC funding, in general, these programs focus on providing housing while relying on other sources of funding, including other federal programs, to provide the corresponding supportive services, such as counseling, medical support and employment assistance. Third, the HUD VA Supported Housing (HUD-VASH) program, which is a joint HUD and VA initiative, provides specially designated Section 8 rental assistance vouchers to veterans experiencing homelessness while the VA provides supportive services. In addition to these responses, HUD has recognized the Housing First model's effectiveness in helping to reduce homelessness. The Housing First model is a proven approach that quickly and successfully connects individuals and families experiencing homelessness to housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements.

There are various other federal homeless assistance programs at other agencies, including the Runaway and Homeless Youth program administered by the Department of Health and Human Services and the Education for Homeless Children and Youths program administered by the Department of Education. Congress created the U.S. Interagency Council on Homelessness (USICH) to coordinate the federal response to homelessness across relevant federal agencies. USICH is an independent agency that leads national efforts to prevent and end homelessness in America, driving action and maximizing the efficient use of resources in support of best practices at every level of government and in partnership with the

²National Low-Income Housing Coalition, "The Gap: A Shortage of Affordable Homes," March 2017.

³Ibid.

⁴National Low Income Housing Coalition, "Out of Reach: The High Cost of Housing," 2018.

⁵Ibid.

private sector. In accordance with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, USICH released the nation's first comprehensive federal strategy to prevent and end homelessness in 2010. In 2018, USICH developed and released an updated strategic plan, known as Home, Together,⁶ which puts forth the national framework for ensuring that, when not preventable, homelessness should be a rare, brief, and one-time experience.

Although the mentioned federal programs are effective in serving people experiencing homelessness, progress towards ending homelessness has stalled in the absence of new funding. Chairwoman Waters' Ending Homelessness Act of 2019 would provide a surge of necessary resources to address this crisis in America. The bill takes a holistic approach to ending homelessness by recognizing the special circumstances that often lead to homelessness and the issues commonly facing homeless persons. Accordingly, the bill provides funding for outreach and case management to connect persons experiencing homelessness to needed services, as well as for technical assistance to help states and local jurisdictions better align their healthcare and housing strategies. In order to ensure a strong framework to sustain long term progress, the bill would also permanently authorize the McKinney-Vento Homeless Assistance Act, which authorizes the main homeless assistance grant programs under HUD's jurisdiction, and permanently authorize the U.S. Interagency Council on Homelessness, which serves a critical role in coordinating the overall federal strategy to end homelessness, establishing benchmarks to track our progress, and updating the goals as necessary. The Ending Homelessness Act includes \$13.27 billion in funding amounts that are over and above what is already annually provided for these existing U.S. Department of Housing and Urban Development (HUD) programs. Specifically, the bill provides:

- \$5 billion over five years to McKinney-Vento Homeless Assistance Grants, which is expected to provide 85,000 new permanent housing units;
- \$2.5 billion over five years to for new Special Purpose Section 8 Housing Choice Vouchers (HCV), which is expected to provide an additional 300,000 housing vouchers and would give preference to those who are homeless or at risk of becoming homeless;
- \$1.05 billion annually in mandatory spending dedicated to the National Housing Trust Fund, which in the first five years of funding is expected to create 25,000 new units affordable to extremely low-income households, with a priority for housing the homeless;
- \$500 million over five years in outreach funding to ensure that homeless people are connected to the resources they need and;
- \$20 million for states and localities to integrate healthcare and housing initiatives, which provides technical assistance to help state and local governments coordinate their healthcare and housing initiatives that are funded by federal programs.

⁶United States Interagency Council on Homelessness, *Communities That Have Ended Homelessness*. August 2018.

The fact that homelessness decreased among subpopulations, such as veterans, due to increased dedicated funding is an indicator that existing federal programs can and do work. However, in the absence of new federal funding, it is impossible to meet the growing needs. The Ending Homelessness Act of 2019, which is supported by more than twenty organizations including national housing advocacy groups, homeless services providers, and national public housing associations, provides the necessary federal resources to end homelessness in America.

SECTION-BY-SECTION ANALYSIS

Section 1. Title

This section provides that H.R. 1856 may be cited as the “Ending Homelessness Act of 2019.”

Section 2. Congressional findings

This section highlights the most recent data on people experiencing homelessness in America. In 2018, there were over 550,000 people experiencing homelessness in the United States on a given night. Although the United States has experienced a reduction in veteran homelessness after a surge of new federal funding targeted to homeless veterans starting in 2008, major progress towards the national goals for ending homelessness in the United States has stalled in the absence of increased funding.

Section 3. Funding to address unmet needs

This section adds a new subtitle to and redesignates certain sections of Title IV of the McKinney-Vento Homeless Assistance Act. The new subtitle consists of three new sections, sections 451, 452, and 453.

Homeless Assistance Funding. New section 451 is entitled “Funding to Address Unmet Needs. Subsection (a) appropriates \$1 billion annually, not otherwise appropriated for each of the fiscal years 2020 through 2024, for emergency relief grants to address the unmet needs of people experiencing homelessness, particularly in jurisdictions with the highest need.

Subsection (b) allocates the funds appropriated by this section by instructing the U.S. Department of Housing and Urban Development (HUD) Secretary, in consultation with the U.S. Interagency Council on Homelessness (USICH) to establish a formula for allocating the grant amounts that takes into account the following factors: (A) poverty rates; (B) shortages of affordable and available housing for low, very low, and extremely low income households; (C) the number of overcrowded housing units; (D) the numbers of people experiencing unsheltered and chronic homelessness; and (E) any other factors determined appropriate. Subsection (b) also requires that the formula be devised swiftly and that the distribution of grant funding be within 30 days after establishment of the formula.

Subsection (c) targets chronic homelessness by requiring that no less than 75 percent of the funding be used to create new permanent supportive housing (PSH), including capital costs, rental subsidies, and services. Allows the HUD Secretary to waive this requirement if the applicant can demonstrate that they have func-

tionally ended chronic homelessness in their community, or that the PSH currently under development is sufficient to functionally end chronic homelessness once such units are available for occupancy.

Subsection (c) also allows for no more than five percent of the total amount of the grant to be used for administrative costs, and directs the HUD Secretary to ensure, to the greatest extent possible, that grantees are using a Housing First approach.

Subsection (d) provides that expiring contracts for leasing, rental assistance, or permanent housing funded by this section are eligible for contract renewals funded through the annual appropriations process.

Subsection (e) requires the HUD Secretary and USICH to provide reports to Congress on the design and implementation of the grant program as well as semiannual reports on progress being made, including description of the activities funded with the grant amounts. Allows the HUD Secretary to collect any information necessary to comply with the reporting requirements.

Special Purpose Vouchers. New section 452 is entitled “Special Purpose Vouchers.” Subsection (a) appropriates \$500 million annually, not otherwise appropriated for each of the fiscal years 2020 through 2024, for incremental assistance for rental assistance for individuals and families who are experiencing homelessness. Annual appropriations provided under this section shall fund new incremental vouchers.

Subsection (a) also limits administrative fees under section 8(q) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)) to no more than 10 percent of the total amount of the grant. It also requires that the Secretary shall establish policies and procedures to provide such fees to the extent necessary to assist people experiencing homelessness on whose behalf rental assistance is provided to find and maintain suitable housing.

Subsection (b) targets the assistance by providing that incremental vouchers funded by this section shall be provided based on geographic need for such assistance by people experiencing homelessness as determined by the Secretary. This subsection also requires the Secretary of HUD to ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining regulations or policies in a number of critical areas.

Subsection (c) provides that assistance under new section 452 shall continue to remain available only for individuals experiencing homelessness and households cycling in and out of shelter.

Subsection (d) seeks to ensure long-term effectiveness by providing for the renewal of contracts funded by this section through the annual appropriations process.

Subsection (e) provides for more flexible administration of the programs by allowing the Secretary to waive, or specify alternative requirements for, any provision of statute or regulations related to the screening of applicants for assistance, admission of applicants, and selection of tenants in order to ensure that people experiencing homelessness can obtain housing. HUD shall ensure that housing authorities that receive vouchers funded through this section take all reasonable steps to avoid subsequent homelessness for residents.

Outreach Funding. New Section 453 is entitled “Outreach Funding.” Subsection (a) appropriates \$100 million annually, not otherwise appropriated for each of the fiscal years 2020 through 2024, for grants to provide outreach and coordinate services for people experiencing homelessness.

Subsection (b) directs the HUD Secretary to make the grants on a competitive basis and shall give priority to collaborative applicants who submit plans to make innovative and effective use of staff funded with the grant amounts. Subsection (b) also requires that the criteria for the competition be devised swiftly and that the distribution of grant funding be within 30 days after establishment of the criteria.

Section 4. Housing Trust Fund

Subsection (a) appropriates \$1 billion annually, beginning in fiscal year 2019 and each fiscal year thereafter, for the Housing Trust Fund (HTF). Subsection (a) also appropriates \$50 million annually, beginning in fiscal year 2019 and each fiscal year after, for incremental project-based assistance to be used in conjunction with grant funds awarded for the HTF by this section.

Subsection (a) also ensures priority for people experiencing homelessness by ensuring priority for occupancy for dwelling units created with the first five years of funding be available for people experiencing homelessness as defined in section 103 of the McKinney-Vento Homeless Assistance Act.

Subsection (b) ensures affordable rents by limiting the tenant rent contribution to 30 percent of adjusted income as defined by section 3(b) of the United States Housing Act of 1937. Subsection (b) also directs the HUD Secretary to issue revised regulations within 90 days of enactment of this Act.

Section 5. Technical Assistance Funds to help states and local organizations Align Health and Housing Systems

Subsection (a) appropriates \$20 million to provide technical assistance (TA) funding for HUD, in collaboration with The United States Interagency Council on Homelessness and the Secretary of Health and Human Services (HHS) Secretary.

Subsection (b) provides that funding under subsection (a) shall be used to provide state- and local-level technical assistance in integrating and aligning policies and funding between Medicaid programs, behavioral health providers, and housing providers to create supportive housing opportunities.

Subsection (c) requires that the Secretary of HUD give priority of TA support for states and localities that have the highest numbers of people experiencing chronic homelessness. Subsection (c) also directs the Secretary of HUD to engage state Medicaid directors, governors, state housing and homelessness agencies, and any other relevant offices to assist states in increasing use of their Medicaid programs to finance supportive services for people experiencing homelessness.

Section 6. Permanent authorization of appropriations for McKinney-Vento Homeless Assistance Act grants

This section provides for a permanent authorization of appropriations for McKinney-Vento Homeless Assistance grants.

Section 7. Permanent extension of the United States Interagency Council on Homelessness

This section provides for a permanent extension of the U.S. Interagency Council on Homelessness by repealing the current sunset date.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 for the 116th Congress—

(1) Committee on Financial services held a hearing to consider a discussion draft of H.R. 1856 entitled “Homeless in America: Examining the Crisis and Solutions to End Homelessness” on February 13, 2019. Democratic witnesses included representatives from the Center for Supportive Services, National Alliance to End Homelessness, National Coalition for Homeless Veterans, the True Colors Fund, and the National Coalition for the Homelessness. The Republican witness was a researcher from Syracuse University. The hearing allowed Members of the Financial Services Committee to hear from witnesses about the continuing challenges of ending homelessness in America, and hear their feedback on HR 1856, “Ending Homelessness Act of 2019” as well as other legislation to help overcome those challenges.

(2) In addition, during the 115th Congress, the Financial Services Committee held a related hearing entitled “An Overview of Homelessness in America” on May 17, 2018. Witnesses included representatives from Star House, Los Angeles Homeless Services Authority, National Alliance to End Homelessness, and The Salvation Army.

COMMITTEE CONSIDERATION COMMITTEE VOTES AND ROLL CALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following roll call votes occurred during the Committee’s consideration of H.R. 1856:

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		
	Mr. San Nicolas		X
	Ms. Tlaib		
	Ms. Porter		
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Ms. Wagner	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huitzenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.: IC

Offered by: H.R. 1856 - Mooney

Agreed To	Yes	No	Prsnt	Wdm
Voice Vote	Ayes		Nays	

Record Vote	FC
	26 Ayes - 29 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		X
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		
	Mr. San Nicolas		X
	Ms. Tlaib		X
	Ms. Porter		
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Ms. Wagner	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.: 1D

Offered by: H.R. 1856 Loudermilk

Agreed To	Yes	No	Prsnt	Wdm
		X		
Voice Vote	Ayes		Nays	

Record Vote	FC
	26 Ayes - 31 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		X
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		
	Mr. San Nicolas		X
	Ms. Tlaib		X
	Ms. Porter		
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>		X
	Ms. Wagner		X
	Mr. King		X
	Mr. Lucas		X
	Mr. Posey		X
	Mr. Luetkemeyer		X
	Mr. Huizenga		X
	Mr. Duffy		X
	Mr. Stivers		X
	Mr. Barr		X
	Mr. Tipton		X
	Mr. Williams		X
	Mr. Hill		X
	Mr. Emmer		X
	Mr. Zeldin		X
	Mr. Loudermilk		X
	Mr. Mooney		X
	Mr. Davidson		X
	Mr. Budd		X
	Mr. Kustoff		X
	Mr. Hollingsworth		X
	Mr. Gonzalez (OH)		X
	Mr. Rose		X
	Mr. Steil		X
	Mr. Gooden		X
	Mr. Riggleman		X
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.: 1E

Offered by: H.R. 1856 - Duffy #5

Agreed To	Yes	No	Prsnt	Wdm
Voice Vote	Ayes		Nays	

Record Vote	FC
	0 Ayes - 57 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter	X	
	Mr. Himes	X	
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson		
	Mr. San Nicolas	X	
	Ms. Tlaib	X	
	Ms. Porter		
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez		
	Ms. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard	X	
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Ms. Wagner	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggelman	X	
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.: 1G1

Offered by: H.R. 1856 - Tlaib second degree to Barr

Agreed To	Yes	No	Prsnt	Wdrn
Voice Vote	Ayes		Nays	

Record Vote	FC
	31 Ayes - 26 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		X
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		X
	Mr. San Nicolas		X
	Ms. Tlaib		X
	Ms. Porter		X
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Ms. Wagner	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.: 1i

Offered by: H.R. 1856 - Huizenga #9

Agreed To	Yes	No	Prsnt	Wdm
		X		
Voice Vote	Ayes		Nays	

Record Vote	FC
	25 Ayes - 35 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter	X	
	Mr. Himes	X	
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson	X	
	Mr. San Nicolas	X	
	Ms. Titab	X	
	Ms. Porter	X	
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez		
	Ms. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard	X	
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
34			
	Mr. McHenry, <i>Ranking Member</i>		X
	Ms. Wagner		X
	Mr. King		X
	Mr. Lucas		X
	Mr. Posey		X
	Mr. Luetkemeyer		X
	Mr. Huizenga		X
	Mr. Duffy		X
	Mr. Stivers		X
	Mr. Barr		X
	Mr. Tipton		X
	Mr. Williams		X
	Mr. Hill		X
	Mr. Emmer		X
	Mr. Zeldin		X
	Mr. Loudermilk		X
	Mr. Mooney		X
	Mr. Davidson		X
	Mr. Budd		X
	Mr. Kustoff		X
	Mr. Hollingsworth		X
	Mr. Gonzalez (OH)		X
	Mr. Rose		X
	Mr. Steil		X
	Mr. Gooden		X
	Mr. Riggleman		X
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.: 1

Offered by: H.R. 1856 - Waters ANS, as amended

Agreed To	Yes	No	Prsnt	Wdm
Voice Vote	Ayes		Nays	

Record Vote	FC
	33 Ayes - 26 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter	X	
	Mr. Himes		
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson	X	
	Mr. San Nicolas	X	
	Ms. Tlaib	X	
	Ms. Porter	X	
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez		
	Ms. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard	X	
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
34			
	Mr. McHenry, <i>Ranking Member</i>		X
	Ms. Wagner		X
	Mr. King		X
	Mr. Lucas		X
	Mr. Posey		X
	Mr. Luetkemeyer		X
	Mr. Huizenga		X
	Mr. Duffy		X
	Mr. Stivers		X
	Mr. Barr		X
	Mr. Tipton		X
	Mr. Williams		X
	Mr. Hill		X
	Mr. Emmer		X
	Mr. Zeldin		X
	Mr. Loudermilk		X
	Mr. Mooney		X
	Mr. Davidson		X
	Mr. Budd		X
	Mr. Kustoff		X
	Mr. Hollingsworth		X
	Mr. Gonzalez (OH)		X
	Mr. Rose		X
	Mr. Steil		X
	Mr. Gooden		X
	Mr. Riggleman		X
26			

Committee on Financial Services
Full Committee
116th Congress (1st Session)

Date: 3/27/2019

Measure _ H.R. 1856

Amendment No.:

Offered by: H.R. 1856 - Final Passage, as amended

Agreed To	Yes	No	Prsnt	Wdrn
Voice Vote	Ayes		Nays	

Record Vote	FC
	32 Ayes - 26 Noes

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goals of H.R. XXXX are to increase resources to end homelessness across the United States.

NEW BUDGET AUTHORITY AND CBO ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974*, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the following estimate for H.R. 1856 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 9, 2019.

Hon. MAXINE WATERS,
*Chairwoman, Committee on Financial Services,
House of Representatives, Washington, DC.*

DEAR MADAM CHAIRWOMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1856, the Ending Homelessness Act of 2019.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Elizabeth Cove Delisle.

Sincerely,

KEITH HALL,
Director.

Enclosure.

At a Glance			
H.R. 1856, Ending Homelessness Act of 2019			
As ordered reported by the House Committee on Financial Services on March 28, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	7,831	12,820
Revenues	0	0	0
Deficit Effect	0	7,831	12,820
Spending Subject to Appropriation (Outlays)	0	12,549	n.e.
Pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
n.e. = not estimated.			
The bill would			
<ul style="list-style-type: none"> • Appropriate \$13.3 billion over the 2019-2029 period to provide housing and services for homeless people • Authorize the appropriation of such sums as may be necessary to renew tenant-based and project-based assistance for homeless households • Permanently authorize the appropriation of such sums as may be necessary for Homeless Assistance Grants 			
Estimated budgetary effects would primarily stem from			
<ul style="list-style-type: none"> • Appropriations for assistance programs for homeless people • New and increased authorizations of appropriations for assistance to homeless people 			
Areas of significant uncertainty include			
<ul style="list-style-type: none"> • The type of assistance that grantees would provide • The pace at which housing providers build capacity to serve additional homeless households 			
Detailed estimate begins on the next page.			

Bill Summary: H.R. 1856 would appropriate funds for programs that provide housing, rental assistance, and services for homeless households and would authorize the appropriation of additional funds for those purposes.

Estimated Federal Cost: The estimated budgetary effect of H.R. 1856 is shown in Table 1. The costs of the legislation fall within budget function 600 (income security).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 1856

	By fiscal year, millions of dollars—													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019–2024	2019–2029	
Increases in Direct Spending														
Budget Authority ...	0	2,670	2,650	2,650	2,650	2,650	0	0	0	0	0	13,270	13,270	
Estimated Outlays	0	495	908	1,858	2,200	2,370	1,989	1,680	730	380	210	7,831	12,820	
Increases in Spending Subject to Appropriation														
Estimated Author-ization	0	2,689	3,213	3,839	4,480	5,136	n.e.	n.e.	n.e.	n.e.	n.e.	19,357	n.e.	
Estimated Outlays	0	0	827	3,079	3,973	4,670	n.e.	n.e.	n.e.	n.e.	n.e.	12,549	n.e.	
n.e. = not estimated.														

Basis of Estimate: For this estimate, CBO assumes that the legislation will be enacted late in 2019 and that estimated amounts

will be appropriated each year beginning in 2020. Estimated outlays are based on historical spending patterns for those programs or for similar programs.

Direct Spending: H.R. 1856 would appropriate a total of \$13.3 billion over the 2020–2024 period for a variety of programs that would provide housing for homeless households. CBO estimates that enacting H.R. 1856 would increase direct spending by \$12.8 billion over the 2019–2029 period (see Table 2).

Housing for Homeless Households. The bill would appropriate \$1 billion annually over the 2020–2024 period to provide grants for housing and services for homeless households. Providers would have to use at least 75 percent of the funding for permanent supportive housing—housing that includes services for homeless households with one or more disabled members. CBO estimates that enacting this provision would increase direct spending by \$4.6 billion over the 2019–2029 period.

TABLE 2.—ESTIMATED INCREASES IN DIRECT SPENDING UNDER H.R. 1856

	By Fiscal Year, millions of dollars—													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019– 2029	2019– 2024	
Increases in Direct Spending														
Housing for Homeless Households:														
Budget Authority	0	1,000	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0	5,000
Estimated Outlays	0	0	160	790	890	910	920	770	140	40	20	2,750	4,640	5,000
Housing Trust Fund:														
Budget Authority	0	1,000	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0	5,000
Estimated Outlays	0	10	130	410	660	810	900	870	590	340	190	2,020	4,910	5,000
Tenant-Based Rental Assistance:														
Budget Authority	0	500	500	500	500	500	0	0	0	0	0	0	0	2,500
Estimated Outlays	0	433	500	500	500	500	67	0	0	0	0	0	0	2,433
Outreach and Services:														
Budget Authority	0	100	100	100	100	100	0	0	0	0	0	0	0	500
Estimated Outlays	0	20	60	100	100	100	80	40	0	0	0	0	0	380
Project-Based Assistance:														
Budget Authority	0	50	50	50	50	50	0	0	0	0	0	0	0	250
Estimated Outlays	0	28	50	50	50	50	22	0	0	0	0	0	0	228
Technical Assistance:														
Budget Authority	0	20	0	0	0	0	0	0	0	0	0	0	0	20
Estimated Outlays	0	4	8	8	0	0	0	0	0	0	0	0	0	20
Total Changes:														
Budget Authority	0	2,670	2,650	2,650	2,650	2,650	0	0	0	0	0	0	0	13,270
Estimated Outlays	0	495	908	1,858	2,200	2,370	1,989	1,680	730	380	210	7,831	12,820	12,820

Housing Trust Fund. The bill would appropriate \$1 billion annually over the 2020–2024 period to the Housing Trust Fund (HTF). Funds from the HTF are used to construct or repair housing that is affordable for low-income households. The bill would require that homeless households have priority for occupancy in housing units funded by that appropriation. CBO estimates that enacting this provision would increase direct spending by \$4.9 billion over the 2019–2029 period.

Tenant-Based Rental Assistance. Households that receive “tenant-based” vouchers pay a portion of their income—usually about 30 percent of their adjusted household income—for rent on units they find in the private housing market. H.R. 1856 would appropriate \$500 million annually over the 2020–2024 period for such vouchers for homeless households. CBO estimates that enacting this provision would increase direct spending by \$2.5 billion over the 2019–2029 period.

Based on current agency practice, CBO assumes that those appropriations would provide the first year of voucher assistance for homeless households and that the Department of Housing and Urban Development (HUD) would use its annual appropriations to renew the vouchers in subsequent years. CBO’s estimate of the budgetary effects of those renewals is discussed under the heading “Spending Subject to Appropriation.”

Outreach and Services. H.R. 1856 would appropriate \$100 million annually over the 2020–2024 period to provide outreach and services for homeless households. CBO estimates that enacting this provision would increase direct spending by \$500 million over the 2019–2029 period.

Project-Based Assistance. The bill would appropriate \$50 million annually over the 2020–2024 period for project-based assistance for housing units that also receive payments from the HTF. HUD provides project-based assistance to property owners who agree to make those units available to low-income households for a specified period. The assisted households usually pay 30 percent of their adjusted household income toward rent, and, up to a limit, the federal government pays the balance. CBO estimates that enacting this provision would increase direct spending by \$250 million over the 2019–2029 period.

Based on HUD’s current practice, CBO assumes that those appropriations would provide the first year of assistance for housing units and that HUD would use annual appropriations to fund assistance in subsequent years. CBO’s estimate of the budgetary effects of renewing that assistance is discussed under the heading “Spending Subject to Appropriation.”

Technical Assistance. H.R. 1856 also would appropriate \$20 million for HUD to assist state and local governments with coordinating housing and health services for homeless populations. CBO estimates that enacting this provision would increase direct spending by \$20 million over the 2019–2029 period.

Spending Subject to Appropriation: CBO estimates that H.R. 1856 would authorize appropriations totaling \$19.4 billion over the 2020–2024 period. Assuming appropriation of those amounts, CBO estimates that the bill would cost \$12.5 billion over the 2019–2029 period (see Table 3).

Permanent Authorization of Homeless Assistance Grants. H.R. 1856 would permanently authorize the Homeless Assistance Grants program. Those grantees provide housing and services to homeless individuals and families. Although the Congress appropriated \$2.6 billion for that program in 2019, under current law, the program is not authorized after 2019. Assuming appropriation of similar amounts and accounting for anticipated inflation, CBO estimates that permanently authorizing the program would cost about \$7.6 billion over the 2019–2024 period. Based on historical spending patterns for the program, CBO expects that outlays for the grants would not begin until 2021.

Tenant-Based Rental Assistance. As described in the Direct Spending section, H.R. 1856 would appropriate funds for tenant-based vouchers for homeless households. CBO assumes that those appropriations would provide one year of voucher assistance and that HUD would use annual appropriations to renew those vouchers in subsequent years. CBO estimates that implementing this provision would increase spending subject to appropriation by \$4.7 billion over the 2019–2024 period.

Project-Based Assistance. As described above in the Direct Spending section, the bill would appropriate funds for project-based assistance for units also subsidized under the HTF. CBO assumes that those appropriations would provide one year of assistance and that HUD would use annual appropriations to renew that assistance in subsequent years. CBO estimates that implementing this provision would increase spending subject to appropriation by \$342 a million over the 2019–2024 period.

TABLE 3—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 1856

	By fiscal year, millions of dollars—						
	2019	2020	2021	2022	2023	2024	2019–2024
Homeless Assistance Grants:							
Estimated Authorization	0	2,689	2,744	2,799	2,857	2,918	14,007
Estimated Outlays	0	0	430	2,133	2,445	2,549	7,557
Tenant-Based Rental Assistance:							
Estimated Authorization	0	0	441	960	1,491	2,032	4,924
Estimated Outlays	0	0	382	890	1,419	1,959	4,650
Project-Based Assistance:							
Estimated Authorization	0	0	28	80	132	186	426
Estimated Outlays	0	0	15	56	109	162	342
Total Changes:							
Estimated Authorization	0	2,689	3,213	3,839	4,480	5,136	19,357
Estimated Outlays	0	0	827	3,079	3,973	4,670	12,549

Uncertainty: CBOs estimate of spending for this bill is based on costs and historical spending patterns for similar programs or types of assistance. However, CBO cannot precisely predict the pace of program implementation. Spending under H.R. 1856 could be faster or slower than CBOs estimate for two reasons:

- Grantees could provide different types of assistance than they have historically. For example, if a larger share of grantees provide housing by leasing existing housing or providing tenant-based assistance than they have in the past, they will probably spend funds faster.
- Grantees might take longer than expected to build their capacity to serve additional homeless households. CBOs estimate

reflects the expectation that grantees can expand their programs to serve additional households at a pace that is consistent with historical spending patterns. However, if grantees hire staff or develop new programs more slowly than CBO expects, total spending could be slower.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. All sections of H.R. 1856 are designated as emergency requirements under section 4(g) of that act; therefore, enacting the bill would not have any pay-as-you-go effects. The net changes in outlays that are subject to those procedures are shown in Table 4.

TABLE 4—CBO’S ESTIMATE OF PAY-AS-YOU-GO EFFECTS OF H.R. 1856

	By fiscal year, millions of dollars—												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019–2024	2019–2029
	Increase in the Deficit Total Changes												
Total Changes	0	495	908	1,858	2,200	2,370	1,989	1,680	730	380	210	7,831	12,820
Less:													
Amounts Designated as Emergency Requirements ^a ...	0	495	908	1,858	2,200	2,370	1,989	1,680	730	380	210	7,831	12,820
Statutory Pay-As-You-Go Effect	0	0	0	0	0	0	0	0	0	0	0	0	0

^aThe bill would designate all sections of the bill as emergency requirements under section 4(g) of the Statutory Pay-As-You-Go Act of 2010.

Increase in Long-Term Deficits: CBO estimates that enacting H.R. 1856 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2030.

Mandates: None.

Estimate prepared by: Federal Costs: Elizabeth Cove Delisle, Mandates: Rachel Austin.

Estimate reviewed by: Sheila Dacey, Chief, Income Security and Education Cost Estimates Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 1856. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the *Congressional Budget and Impoundment Control Act* (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act*, Pub. L. 104–4), the Committee adopts as its own the estimate of federal mandates regarding H.R. 1856, as amended, prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

COMMITTEE CORRESPONDENCE

JOHN YARMUTH, KENTUCKY
CHAIRMAN
ELLEN BALIS, STAFF DIRECTOR
(202) 226-7200



STEVE WOMACK, RANKING MEMBER
DAN KENIRY, MINORITY STAFF DIRECTOR
(202) 226-7270

U.S. House of Representatives
COMMITTEE ON THE BUDGET
Washington, DC 20515

June 25, 2019

The Honorable Maxine Waters
Chairwoman, Committee on Financial Services
House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters:

I write to confirm our mutual understanding regarding H.R. 1856, the Ending Homelessness Act of 2019. This legislation contains subject matter within the jurisdiction of the Committee on the Budget. However, the committee waives formal consideration of the bill.

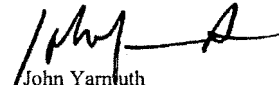
The Committee on the Budget takes this action with the mutual understanding that we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and the committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues within our jurisdiction. The committee also reserves the right to seek appointment to any House-Senate conference on this legislation and requests your support if such a request is made.

Although the Committee on the Budget waives formal consideration of the bill, I wish to state my concern regarding the designation of spending in this legislation as an emergency requirement for purposes of the Pay-As-You-Go (PAYGO) Act of 2010. I agree that our nation faces a homelessness and housing crisis that must be solved, and I believe H.R. 1856 and its accompanying spending is critical to accomplishing our shared goal of ending homelessness. However, I also believe that this would be an inappropriate use of the emergency designation under the PAYGO Act, and therefore, I have concerns about its inclusion in this bill and about the precedent that its use would set. As the bill moves forward, it is my hope that our committees work together to find an alternative solution that achieves the important policy goals advanced by H.R. 1856 under the appropriate budgetary framework.

Finally, I would appreciate your response to this letter confirming this understanding and ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during floor consideration of H.R. 1856.

Thank you for your attention to these matters.

Sincerely,



John Yarnuth
Chairman

MAXINE WATERS, CA
CHAIRWOMAN

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

PATRICK MCHENRY, NC
RANKING MEMBER

June 27, 2019

The Honorable John Yarmouth
Chairman
Committee on the Budget
204-E Cannon House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I writing to acknowledge your letter June 26, 2019, responding to our request to your Committee that it waive any jurisdictional claims over the matters contained in H.R. 1856, "the Ending Homelessness Act of 2019," that fall within your Committee's Rule X jurisdiction. The Committee on Financial Services confirms our mutual understanding that your Committee does not waive any jurisdiction over the subject matter contained in this or similar legislation, and your Committee will be appropriately consulted and involved as this bill or similar legislation moves forward so that we may address any remaining concerns regarding provisions within your jurisdiction.

The Committee on Financial Services further recognizes your interest in appointment of outside conferees from the Committee on the Budget should this bill or similar language be considered in a conference with the Senate.

With respect to your concerns regarding the emergency designation in H.R. 1856, we note that emergency designations have been used in the past to address chronic economic issues or foreseen issues that are not dissimilar from the urgent homelessness situation that H.R. 1856 addresses. These include extensions of unemployment insurance during periods of persistent unemployment and a major initiative on health care for our country's veterans. I look forward to working with you to address your concerns going forward.

Pursuant to your request, I will ensure that this exchange of letters is included in the *Congressional Record* during Floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work with you as this measure moves through the legislative process.

Sincerely,


MAXINE WATERS
Chairwoman

Cc: The Honorable Patrick McHenry

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

H.R. 1856 does not apply to terms and conditions of employment or to access to public services or accommodations within the legislative branch.

EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 1856 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as described in clauses 9(e), 9(f), and 9(g) of rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of H.R. 1856 establishes or reauthorizes a program of the Federal Government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 1856, as reported, are shown as follows:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

MCKINNEY-VENTO HOMELESS ASSISTANCE ACT

TITLE I—GENERAL PROVISIONS

SECTION 101. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “McKinney-Vento Homeless Assistance Act”.

(b) **TABLE OF CONTENTS.**—

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title and table of contents.

* * * * *

TITLE II—**[INTERAGENCY COUNCIL ON THE HOMELESS]** *UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS*

* * * * *

[Sec. 209. Termination.]

* * * * *

TITLE IV—HOUSING ASSISTANCE

* * * * *

Subtitle D—Rural Housing Stability Assistance Program

Sec. [491] 441. Rural housing stability assistance.
Sec. [492] 442. Use of FHMA inventory for transitional housing for homeless persons and for turnkey housing.

Subtitle E—5-Year Path to End Homelessness

Sec. 451. Funding to address unmet needs.
Sec. 452. Special purpose vouchers.
Sec. 453. Outreach funding.

* * * * *

TITLE II—UNITED STATES INTER-AGENCY COUNCIL ON HOMELESSNESS

* * * * *

[SEC. 209. TERMINATION.
[The Council shall cease to exist, and the requirements of this title shall terminate, on October 1, 2020]

TITLE IV—HOUSING ASSISTANCE

Subtitle A—General Provisions

* * * * *

[SEC. 408. AUTHORIZATION OF APPROPRIATIONS.
[There are authorized to be appropriated to carry out this title \$2,200,000,000 for fiscal year 2010 and such sums as may be necessary for fiscal year 2011.]

SEC. 408. AUTHORIZATION OF APPROPRIATIONS.
There are authorized to be appropriated to carry out this title such sums as may be necessary for each fiscal year.

* * * * *

Subtitle D—Rural Housing Stability Assistance Program

SEC. [491.] 441. RURAL HOUSING STABILITY GRANT PROGRAM.
(a) **ESTABLISHMENT.**—The Secretary of Housing and Urban Development shall establish and carry out a rural housing stability grant program. In carrying out the program, the Secretary may award grants to eligible organizations in lieu of grants under subtitle C in order to pay for the Federal share of the cost of—
(1) rehousing or improving the housing situations of individuals and families who are homeless or in the worst housing situations in the geographic area;
(2) stabilizing the housing of individuals and families who are in imminent danger of losing housing; and

(3) improving the ability of the lowest-income residents of the community to afford stable housing.

(b) USE OF FUNDS.—

(1) IN GENERAL.—An eligible organization may use a grant awarded under subsection (a) to provide, in rural areas—

(A) rent, mortgage, or utility assistance after 2 months of nonpayment in order to prevent eviction, foreclosure, or loss of utility service;

(B) security deposits, rent for the first month of residence at a new location, and relocation assistance;

(C) short-term emergency lodging in motels or shelters, either directly or through vouchers;

(D) construction of new housing units to provide transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness;

(E) acquisition or rehabilitation of a structure to provide supportive services or to provide transitional or permanent housing, other than emergency shelter, to homeless individuals and families and individuals and families at risk of homelessness;

(F) leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness, or providing supportive services to such homeless and at-risk individuals and families;

(G) provision of rental assistance to provide transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness, such rental assistance may include tenant-based or project-based rental assistance;

(H) payment of operating costs for housing units assisted under this title;

(I) rehabilitation and repairs such as insulation, window repair, door repair, roof repair, and repairs that are necessary to make premises habitable;

(J) development of comprehensive and coordinated support services that use and supplement, as needed, community networks of services, including—

(i) outreach services to reach eligible recipients;

(ii) case management;

(iii) housing counseling;

(iv) budgeting;

(v) job training and placement;

(vi) primary health care;

(vii) mental health services;

(viii) substance abuse treatment;

(ix) child care;

(x) transportation;

(xi) emergency food and clothing;

(xii) family violence services;

(xiii) education services;

(xiv) moving services;

(xv) entitlement assistance; and

(xvi) referrals to veterans services and legal services; and

(K) costs associated with making use of Federal inventory property programs to house homeless families, including the program established under title V of the Stewart B. McKinney Homeless Assistance Act and the Single Family Property Disposition Program established pursuant to section 204(g) of the National Housing Act.

(2) CAPACITY BUILDING ACTIVITIES.—Not more than 20 percent of the funds transferred under subsection (1)(1) for a fiscal year may be used by eligible organizations for capacity building activities, including payment of operating costs and staff retention.

(c) AWARD OF GRANTS.—

(1) COMMUNITIES WITH POPULATIONS OF LESS THAN 10,000.—

(A) SET ASIDE.—In awarding grants under subsection (a) for a fiscal year, the Secretary shall make available not less than 50 percent of the funds transferred under subsection (1)(1) for the fiscal year for grants to eligible organizations serving communities that have populations of less than 10,000.

(B) PRIORITY WITHIN SET ASIDE.—In awarding grants in accordance with subparagraph (A), the Secretary shall give priority to eligible organizations serving communities with populations of less than 5,000.

(2) COMMUNITIES WITHOUT SIGNIFICANT FEDERAL ASSISTANCE.—In awarding grants under subsection (a), including grants awarded in accordance with paragraph (1), the Secretary shall give priority to eligible organizations serving communities not currently receiving significant Federal assistance under this Act.

(3) STATE LIMIT.—In awarding grants under subsection (a) for a fiscal year, the Secretary shall not award to eligible organizations within a State an aggregate sum of more than 10 percent of the funds transferred under subsection (1)(1), for the fiscal year.

(d) APPLICATION.—In order to be eligible to receive a grant under subsection (a), an organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The application shall include, at a minimum—

(1) a description of the target population and geographic area to be served;

(2) a description of the types of assistance to be provided;

(3) an assurance that the assistance to be provided is closely related to the identified needs of the target population;

(4) a description of the existing assistance available to the target population, including Federal, State, and local programs, and a description of the manner in which the organization will coordinate with and expand existing assistance or provide assistance not available in the immediate area;

(5) an agreement by the organization that the organization will collect data on the projects conducted by the organization, including assistance provided, number and characteristics of persons served, and causes of homelessness for persons served;

(6) a description of how individuals and families who are homeless or who have the lowest incomes in the community will be involved by the organization through employment, volunteer services, and otherwise, in providing, operating, and rehabilitating housing assisted under this section and in providing services assisted under this section and services for occupants of housing assisted under this section;

(7) a description of consultations that took place within the community to ascertain the most important uses for funding under this section, including the involvement of potential beneficiaries of the project; and

(8) a description of the extent and nature of homelessness and of the worst housing situations in the community.

(e) ELIGIBLE ORGANIZATIONS.—Organizations eligible to receive a grant under subsection (a) shall include private nonprofit entities and county and local governments.

(f) MATCHING FUNDING.—

(1) IN GENERAL.—An organization eligible to receive a grant under subsection (a) shall specify matching contributions from any source other than a grant awarded under this subtitle, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided for the project or activity, except that grants for leasing shall not be subject to any match requirement.

(2) LIMITATIONS ON IN-KIND MATCH.—The cash value of services provided to the beneficiaries or clients of an eligible organization by an entity other than the organization may count toward the contributions in paragraph (1) only when documented by a memorandum of understanding between the organization and the other entity that such services will be provided.

(3) COUNTABLE ACTIVITIES.—The contributions required under paragraph (1) may consist of—

(A) funding for any eligible activity described under subsection (b); and

(B) subject to paragraph (2), in-kind provision of services of any eligible activity described under subsection (b).

(g) SELECTION CRITERIA.—The Secretary shall establish criteria for selecting recipients of grants under subsection (a), including—

(1) the participation of potential beneficiaries of the project in assessing the need for, and importance of, the project in the community;

(2) the degree to which the project addresses the most harmful housing situations present in the community;

(3) the degree of collaboration with others in the community to meet the goals described in subsection (a);

(4) the performance of the organization in improving housing situations, taking account of the severity of barriers of individuals and families served by the organization;

(5) for organizations that have previously received funding under this section, the extent of improvement in homelessness and the worst housing situations in the community since such funding began;

(6) the need for such funds, as determined by the formula established under section 427(b)(2); and

(7) any other relevant criteria as determined by the Secretary.

(h) EVALUATION.—

(1) IN GENERAL.—Not later than 18 months after funding is first made available pursuant to the amendments made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the Secretary shall conduct an evaluation of the program to—

(A) determine the effectiveness of the program in meeting the goals described in subsection (a) in the area served; and

(B) determine the types of assistance needed to meet the goals described in subsection (a) in rural areas.

(2) REPORT.—Not later than 24 months after funding is first made available pursuant to the amendment made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the Secretary shall submit to Congress the evaluation of the program conducted under paragraph (1), including recommendations for any Federal administrative or legislative changes that may be necessary to improve the ability of rural communities to meet the goals described in subsection (a).

(i) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to eligible organizations in developing programs in accordance with this section, and in gaining access to other Federal resources that may be used to assist homeless persons in rural areas. Such assistance may be provided through regional workshops, and may be provided directly or through grants to, or contracts with, nongovernmental entities.

(j) TERMINATION OF ASSISTANCE.—If an individual or family who receives assistance under this section violates requirements of the assistance program provided by the organization receiving a grant under this section, the organization may terminate assistance in accordance with a formal process established by the organization that recognizes the rights of individuals receiving such assistance to due process of law, which may include a hearing.

(k) DEFINITIONS.—

For purposes of this section:

(1) PROGRAM.—The term “program” means the rural housing stability grant program established under this section.

(2) RURAL AREA; RURAL COMMUNITY.—The terms “rural area” and “rural community” mean—

(A) any area or community, respectively, no part of which is within an area designated as a standard metropolitan statistical area by the Office of Management and Budget;

(B) any area or community, respectively, that is—

(i) within an area designated as a metropolitan statistical area or considered as part of a metropolitan statistical area; and

(ii) located in a county where at least 75 percent of the population is rural; or

(C) any area or community, respectively, located in a State that has population density of less than 30 persons per square mile (as reported in the most recent decennial

census), and of which at least 1.25 percent of the total acreage of such State is under Federal jurisdiction, provided that no metropolitan city (as such term is defined in section 102 of the Housing and Community Development Act of 1974) in such State is the sole beneficiary of the grant amounts awarded under this section.

(3) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

(1) PROGRAM FUNDING.—

(1) IN GENERAL.—The Secretary shall determine the total amount of funding attributable under section 427(b)(2) to meet the needs of any geographic area in the Nation that applies for funding under this section. The Secretary shall transfer any amounts determined under this subsection from the Community Homeless Assistance Program and consolidate such transferred amounts for grants under this section, except that the Secretary shall transfer an amount not less than 5 percent of the amount available under subtitle C for grants under this section. Any amounts so transferred and not used for grants under this section due to an insufficient number of applications shall be transferred to be used for grants under subtitle C.

(2) AVAILABILITY.—Any amount paid to a grant recipient for a fiscal year that remains unobligated at the end of the year shall remain available to the recipient for the purposes for which the payment was made for the next fiscal year. The Secretary shall take such action as may be necessary to recover any amount not obligated by the recipient at the end of the second fiscal year, and shall redistribute the amount to another eligible organization.

(m) DETERMINATION OF FUNDING SOURCE.—For any fiscal year, in addition to funds awarded under subtitle B, funds under this title to be used in a city or county shall only be awarded under either subtitle C or subtitle D.

SEC. [592.] 442. USE OF FMHA INVENTORY FOR TRANSITIONAL HOUSING FOR HOMELESS PERSONS AND FOR TURNKEY HOUSING.

(a) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the “Secretary”) shall, on a priority basis, lease or sell program and nonprogram inventory properties held by the Secretary under title V of the Housing Act of 1949—

(1) to provide transitional housing; and

(2) to provide turnkey housing for tenants of such transitional housing and for eligible families.

(b) PRIORITY.—The priority uses of inventory property under this section shall not have a higher priority than—

(1) the disposition of such property by sale to eligible families; or

(2) the disposition of such property by transfer for use as rental housing by eligible families.

(c) TRANSITIONAL HOUSING.—

(1) LEASES AUTHORIZED.—The Secretary shall lease inventory properties to public agencies and nonprofit organizations to provide transitional housing for homeless families and individuals and to provide such agencies the option to provide turnkey

housing opportunities for homeless persons and other inadequately housed families.

(2) RENTAL TO ELIGIBLE FAMILIES.—A public agency or nonprofit organization may rent housing leased to it under paragraph (1) to a family for up to 10 years and may, during that period, assist the tenant in obtaining a loan and credit assistance under title V of the Housing Act of 1949 to purchase the housing from the Secretary.

(d) LEASE PROCEDURES.—

(1) IDENTIFICATION OF PROPERTY.—Upon receipt by the Secretary of written notification from a public agency or nonprofit organization that it proposes to lease a property for the purpose of providing transitional housing or for the purpose of providing transitional housing and turnkey housing opportunities, the Secretary shall—

(A) withdraw the property from the market for not more than 30 days for the purpose of negotiations under subparagraph (B);

(B) negotiate a lease agreement with the organization or agency; and

(C) if a lease is agreed to, commence the repairs necessary to make the property meet standards for decent, safe, and sanitary housing.

(2) LEASE TERMS.—A lease of inventory property under this section shall—

(A) be for a period of not more than 10 years;

(B) provide for the payment of \$1 for the 10-year lease; and

(C) provide the nonprofit organization or public agency—
 (i) the right to use the property for transitional housing; and
 (ii) the option to arrange for the sale of the property to an eligible purchaser.

(e) PURCHASE PROCEDURES.—

(1) IDENTIFICATION OF PROPERTY.—Upon receipt by the Secretary of written notification from a public agency or nonprofit organization that it proposes to purchase a property for the purpose of providing transitional housing or for the purpose of providing transitional housing and turnkey housing opportunities, the Secretary shall—

(A) withdraw the property from the market for not more than 30 days for the purpose of negotiations under subparagraph (B);

(B) negotiate a purchase agreement with the organization or agency; and

(C) if a purchase agreement is agreed to, commence the repairs necessary to make the property meet standards for decent, safe, and sanitary housing.

(2) PURCHASE TERMS.—A purchase of inventory property under this section shall provide for a purchase price equal to not more than the fair market value of the property minus 10 percent.

(f) EMPLOYMENT OF HOMELESS INDIVIDUALS.—A public agency or nonprofit organization may lease or purchase property under this section only if the agency or organization, to the maximum extent

practicable, involves homeless individuals and families, through employment, volunteer services, or otherwise, in maintaining, operating, and renovating any properties leased or acquired under this section and in providing any services for occupants of properties assisted under this section.

(g) PARTICIPATION OF HOMELESS INDIVIDUALS.—

(1) IN GENERAL.—The Secretary shall, by regulation, require each public agency and nonprofit organization leasing or purchasing property under this section to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policy making entity of such agency or organization, to the extent that such organization or applicant considers and makes policies and decisions regarding any property acquired under this section.

(2) WAIVER.—The Secretary may grant a waiver to a public agency or nonprofit organization that is unable to meet the requirement of paragraph (1), if the agency or organization agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

(h) BUDGET COMPLIANCE.—The authority provided to the Secretary under this section shall be effective only to the extent approved in advance in appropriations Acts.

Subtitle E—5-Year Path to End Homelessness

SEC. 451. FUNDING TO ADDRESS UNMET NEEDS.

(a) DIRECT APPROPRIATIONS.—*There is appropriated out of any money in the Treasury not otherwise appropriated for each of fiscal years 2020 through 2024, \$1,000,000,000, to remain available until expended, for emergency relief grants under this section to address the unmet needs of homeless populations in jurisdictions with the highest need.*

(b) FORMULA GRANTS.—

(1) ALLOCATION.—*Amounts appropriated under subsection (a) for a fiscal year shall be allocated among collaborative applicants that comply with section 402, in accordance with the funding formula established under paragraph (2) of this subsection.*

(2) FORMULA.—*The Secretary shall, in consultation with the United States Interagency Council on Homeless, establish a formula for allocating grant amounts under this section to address the unmet needs of homeless populations in jurisdictions with the highest need, using the best currently available data that targets need based on key structural determinants of homelessness in the geographic area represented by a collaborative applicant, which shall include data providing accurate counts of—*

(A) the poverty rate in the geographic area represented by the collaborative applicant;

(B) shortages of affordable housing for low-, very low-, and extremely low-income households in the geographic area represented by the collaborative applicant;

(C) the number of overcrowded housing units in the geographic area represented by the collaborative applicant;

(D) the number of unsheltered homeless individuals and the number of chronically homeless individuals; and

(E) any other factors that the Secretary considers appropriate.

The formula shall provide priority to collaborative applicants for which the local governments, within the area served by the applicant, have adopted local policies, such as through zoning and regulation, that leverage the private sector's participation to provide housing that is reserved and affordable to low-, very low-, and extremely low-income households, as defined by the Secretary, for a minimum term of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

(3) GRANTS.—For each fiscal year for which amounts are made available under subsection (a), the Secretary shall make a grant to each collaborative applicant for which an amount is allocated pursuant to application of the formula established pursuant to paragraph (2) of this subsection in an amount that is equal to the formula amount determined for such collaborative applicant.

(4) TIMING.—The funding formula required under paragraph (2) shall be established by regulations issued, after notice and opportunity for public comment, not later than 6 months after the date of enactment of this section.

(c) USE OF GRANTS.—

(1) IN GENERAL.—Subject to paragraphs (2) through (4), a collaborative applicant that receives a grant under this section may use such grant amounts only for eligible activities under section 415, 423, or 441(b).

(2) PERMANENT SUPPORTIVE HOUSING REQUIREMENT.—

(A) REQUIREMENT.—Except as provided in subparagraph (B), each collaborative applicant that receives a grant under this section shall use not less than 75 percent of such grant amount for permanent supportive housing, including capital costs, rental subsidies, and services.

(B) EXEMPTION.—The Secretary shall exempt a collaborative applicant from the applicability of the requirement under subparagraph (A) if the applicant demonstrates, in accordance with such standards and procedures as the Secretary shall establish, that—

(i) chronic homelessness has been functionally eliminated in the geographic area served by the applicant; or

(ii) the permanent supportive housing under development in the geographic area served by the applicant is sufficient to functionally eliminate chronic homelessness once such units are available for occupancy.

The Secretary shall consider and make a determination regarding each request for an exemption under this subparagraph not later than 60 days after receipt of such request.

(3) **LIMITATION ON USE FOR ADMINISTRATIVE EXPENSES.**—Not more than 5 percent of the total amount of any grant under this section to a collaborative applicant may be used for costs of administration.

(4) **HOUSING FIRST REQUIREMENT.**—The Secretary shall ensure that each collaborative applicant that receives a grant under this section is implementing, to the extent possible, and will use such grant amounts in accordance with, a Housing First model for assistance for homeless persons.

(d) **RENEWAL FUNDING.**—Expiring contracts for leasing, rental assistance, or permanent housing shall be treated, for purposes of section 429, as expiring contracts referred to in subsection (a) of such section.

(e) **REPORTING TO CONGRESS.**—

(1) **ANNUAL REPORTS.**—Not later than the expiration of the 12-month period beginning upon the first allocation of amounts made after the date of the enactment of this Act pursuant to subsection (b)(1), and annually thereafter, the Secretary and the United States Interagency Council on Homelessness shall submit a report to the Committees on Financial Services and Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Appropriations of the Senate providing detailed information regarding the grants made under this section during the preceding year, the activities funded with such grant amounts, and the impact of such activities on the communities where such activities took place.

(2) **COLLECTION OF INFORMATION BY SECRETARY.**—The Secretary shall require each collaborative applicant that receives a grant under this section to submit such information to the Secretary as may be necessary for the Secretary to comply with the reporting requirement under paragraph (1).

SEC. 452. SPECIAL PURPOSE VOUCHERS.

(a) **DIRECT APPROPRIATION.**—There is appropriated out of any money in the Treasury not otherwise appropriated for each of fiscal years 2020 through 2024, \$500,000,000, to remain available until expended, which shall be used as follows:

(1) **RENTAL ASSISTANCE.**—Except as provided in paragraph (2), such amount shall be used for incremental assistance for rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) for persons and households who are homeless (as such term is defined in section 103 (42 U.S.C. 11302)), which assistance shall be in addition to such assistance provided pursuant to renewal of expiring contracts for such assistance.

(2) *ADMINISTRATIVE FEES.*—The Secretary may use not more than 10 percent of such amounts provided for each fiscal year for administrative fees under 8(q) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)). The Secretary shall establish policies and procedures to provide such fees to the extent necessary to assist homeless persons and families on whose behalf rental assistance is provided to find and maintain suitable housing.

(b) *ALLOCATION.*—The Secretary shall make assistance provided under this section available to public housing agencies based on geographical need for such assistance by homeless persons and households, as identified by the Secretary, public housing agency administrative performance, and other factors as specified by the Secretary. In allocating assistance among public housing agencies, the Secretary shall provide priority to agencies having jurisdictions in which the local governments within such jurisdictions have adopted local policies, such as through zoning and regulation, that leverage the private sector's participation to provide housing that is reserved and affordable to low-, very low-, and extremely low-income households, as determined by the Secretary, for a minimum term of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

(c) *AVAILABILITY.*—Assistance made available under this section shall continue to remain available only for homeless persons and households upon turn-over.

(d) *RENEWAL FUNDING.*—Renewal of expiring contracts for rental assistance provided under subsection (a) and for administrative fees under such subsection shall, to the extent provided in appropriation Acts, be funded under the section 8 tenant-based rental assistance account.

(e) *WAIVER AUTHORITY.*—Upon a finding by the Secretary that a waiver or alternative requirement pursuant to this subsection is necessary to ensure that homeless persons and households can obtain housing using rental assistance made available under this section, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this section (except for requirements related to fair housing, non-discrimination, labor standards, and the environment) that relates to screening of applicants for assistance, admission of applicants, and selection of tenants. The Secretary shall require public housing agencies receiving rental assistance funding made available under this section to take all reasonable actions to help assisted persons and families avoid subsequent homelessness.

SEC. 453. OUTREACH FUNDING.

(a) *DIRECT APPROPRIATION.*—There is appropriated out of any money in the Treasury not otherwise appropriated for each of fiscal

years 2020 through 2024, \$100,000,000, to remain available until expended, to the Secretary for grants under this section to provide outreach and coordinate services for persons and households who are homeless or formerly homeless.

(b) GRANTS.—

(1) IN GENERAL.—The Secretary shall make grants under this section on a competitive basis only to collaborative applicants who comply with section 402.

(2) PRIORITY.—The competition for grants under this section shall provide priority—

(A) to collaborative applicants who submit plans to make innovative and effective use of staff funded with grant amounts pursuant to subsection (c); and

(B) to collaborative applicants for which the local governments, within the area served by the applicant, have adopted local policies, such as through zoning and regulation, that leverage the private sector's participation to provide housing that is reserved and affordable to low-, very low-, and extremely low-income households, as defined by Secretary, for a minimum term of 15 years. The Secretary shall establish by regulation the process and manner that local governments will be evaluated. The Secretary shall ensure that local governments are not incentivized or otherwise rewarded for eliminating or undermining the intent of zoning regulations or other regulations or policies that establish fair wages for laborers, ensure health and safety of buildings for residents and the general public, protect fair housing, establish environmental protections, establish standards for resiliency, prevent tenant displacement, or any other requirements that the Secretary determines it is in the public interest to preserve.

(c) USE OF GRANTS.—A collaborative applicant that receives a grant under this section may use such grant amounts only for providing case managers, social workers, or other staff who conduct outreach and coordinate services for persons and households who are homeless or formerly homeless.

(d) TIMING.—The Secretary shall establish the criteria for the competition for grants under this section required under subsection (b) by regulations issued, after notice and opportunity for public comment, not later than 6 months after the date of enactment of this section.

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FEDERAL HOUSING ENTERPRISES FINANCIAL SAFETY AND SOUNDNESS ACT OF 1992

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TITLE XIII—GOVERNMENT SPONSORED ENTERPRISES

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Subtitle A—Supervision and Regulation of Enterprises

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PART 2—ADDITIONAL AUTHORITIES OF THE DIRECTOR

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Subpart B—Housing Goals

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SEC. 1338. HOUSING TRUST FUND.

(a) ESTABLISHMENT AND PURPOSE.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) shall establish and manage a Housing Trust Fund, which shall be funded with amounts allocated by the enterprises under section 1337 and any amounts as are or may be appropriated, transferred, or credited to such Housing Trust Fund under any other provisions of law. The purpose of the Housing Trust Fund under this section is to provide grants to States (as such term is defined in section 1303) for use—

(A) to increase and preserve the supply of rental housing for extremely low- and very low-income families, including homeless families; and

(B) to increase homeownership for extremely low- and very low-income families.

(2) FEDERAL ASSISTANCE.—For purposes of the application of Federal civil rights laws, all assistance provided from the Housing Trust Fund shall be considered Federal financial assistance.

(b) ALLOCATIONS FOR HOPE BOND PAYMENTS.—

(1) IN GENERAL.—Notwithstanding subsection (c), to help address the mortgage crisis, of the amounts allocated pursuant to clauses (i) and (ii) of section 1337(a)(1)(B) and clauses (i) and (ii) of section 1337(a)(2)(B) in excess of amounts described in section 1337(e)—

(A) 100 percent of such excess shall be used to reimburse the Treasury for payments made pursuant to section 257(w)(1)(C) of the National Housing Act in calendar year 2009;

(B) 50 percent of such excess shall be used to reimburse the Treasury for such payments in calendar year 2010; and

(C) 25 percent of such excess shall be used to reimburse the Treasury for such payments in calendar year 2011.

(2) EXCESS FUNDS.—At the termination of the HOPE for Homeowners Program established under section 257 of the National Housing Act, if amounts used to reimburse the Treasury under paragraph (1) exceed the total net cost to the Government of the HOPE for Homeowners Program, such amounts

shall be used for their original purpose, as described in paragraphs (1)(B) and (2)(B) of section 1337(a).

(3) TREASURY FUND.—The amounts referred to in subparagraphs (A) through (C) of paragraph (1) shall be deposited into a fund established in the Treasury of the United States by the Secretary of the Treasury for such purpose.

(c) ALLOCATION FOR HOUSING TRUST FUND IN FISCAL YEAR 2010 AND SUBSEQUENT YEARS.—

(1) IN GENERAL.—Except as provided in subsection (b), the Secretary shall distribute the amounts allocated for the Housing Trust Fund under this section to provide affordable housing as described in this subsection.

(2) PERMISSIBLE DESIGNEES.—A State receiving grant amounts under this subsection may designate a State housing finance agency, housing and community development entity, tribally designated housing entity (as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1997 (25 U.S.C. 4103)), or any other qualified instrumentality of the State to receive such grant amounts.

(3) DISTRIBUTION TO STATES BY NEEDS-BASED FORMULA.—

(A) IN GENERAL.—The Secretary shall, by regulation, establish a formula within 12 months of the date of enactment of the Federal Housing Finance Regulatory Reform Act of 2008, to distribute amounts made available under this subsection to each State to provide affordable housing to extremely low- and very low-income households.

(B) BASIS FOR FORMULA.—The formula required under subparagraph (A) shall include the following:

(i) The ratio of the shortage of standard rental units both affordable and available to extremely low-income renter households in the State to the aggregate shortage of standard rental units both affordable and available to extremely low-income renter households in all the States.

(ii) The ratio of the shortage of standard rental units both affordable and available to very low-income renter households in the State to the aggregate shortage of standard rental units both affordable and available to very low-income renter households in all the States.

(iii) The ratio of extremely low-income renter households in the State living with either (I) incomplete kitchen or plumbing facilities, (II) more than 1 person per room, or (III) paying more than 50 percent of income for housing costs, to the aggregate number of extremely low-income renter households living with either (IV) incomplete kitchen or plumbing facilities, (V) more than 1 person per room, or (VI) paying more than 50 percent of income for housing costs in all the States.

(iv) The ratio of very low-income renter households in the State paying more than 50 percent of income on rent relative to the aggregate number of very low-in-

come renter households paying more than 50 percent of income on rent in all the States.

(v) The resulting sum calculated from the factors described in clauses (i) through (iv) shall be multiplied by the relative cost of construction in the State. For purposes of this subclause, the term “cost of construction” —

(I) means the cost of construction or building rehabilitation in the State relative to the national cost of construction or building rehabilitation; and

(II) shall be calculated such that values higher than 1.0 indicate that the State’s construction costs are higher than the national average, a value of 1.0 indicates that the State’s construction costs are exactly the same as the national average, and values lower than 1.0 indicate that the State’s cost of construction are lower than the national average.

(C) PRIORITY.—The formula required under subparagraph (A) shall give priority emphasis and consideration to the factor described in subparagraph (B)(i).

(4) ALLOCATION OF GRANT AMOUNTS.—

(A) NOTICE.—Not later than 60 days after the date that the Secretary determines the formula amounts described in paragraph (3), the Secretary shall caused to be published in the Federal Register a notice that such amounts shall be so available.

(B) GRANT AMOUNT.—In each fiscal year other than fiscal year 2009, the Secretary shall make a grant to each State in an amount that is equal to the formula amount determined under paragraph (3) for that State.

(C) MINIMUM STATE ALLOCATIONS.—If the formula amount determined under paragraph (3) for a fiscal year would allocate less than \$3,000,000 to any of the 50 States of the United States or the District of Columbia, the allocation for such State of the United States or the District of Columbia shall be \$3,000,000, and the increase shall be deducted pro rata from the allocations made to all other of the States (as such term is defined in section 1303).

(5) ALLOCATION PLANS REQUIRED.—

(A) IN GENERAL.—For each year that a State or State designated entity receives a grant under this subsection, the State or State designated entity shall establish an allocation plan. Such plan shall—

(i) set forth a plan for the distribution of grant amounts received by the State or State designated entity for such year;

(ii) be based on priority housing needs, as determined by the State or State designated entity in accordance with the regulations established under subsection (g)(2)(D);

(iii) comply with paragraph (6); and

(iv) include performance goals that comply with the requirements established by the Secretary pursuant to subsection (g)(2).

(B) ESTABLISHMENT.—In establishing an allocation plan under this paragraph, a State or State designated entity shall—

- (i) notify the public of the establishment of the plan;
- (ii) provide an opportunity for public comments regarding the plan;
- (iii) consider any public comments received regarding the plan; and
- (iv) make the completed plan available to the public.

(C) CONTENTS.—An allocation plan of a State or State designated entity under this paragraph shall set forth the requirements for eligible recipients under paragraph (8) to apply for such grant amounts, including a requirement that each such application include—

- (i) a description of the eligible activities to be conducted using such assistance; and
- (ii) a certification by the eligible recipient applying for such assistance that any housing units assisted with such assistance will comply with the requirements under this section.

(6) SELECTION OF ACTIVITIES FUNDED USING HOUSING TRUST FUND GRANT AMOUNTS.—Grant amounts received by a State or State designated entity under this subsection may be used, or committed for use, only for activities that—

- (A) are eligible under paragraph (7) for such use;
- (B) comply with the applicable allocation plan of the State or State designated entity under paragraph (5); and
- (C) are selected for funding by the State or State designated entity in accordance with the process and criteria for such selection established pursuant to subsection (g)(2)(D).

(7) ELIGIBLE ACTIVITIES.—Grant amounts allocated to a State or State designated entity under this subsection shall be eligible for use, or for commitment for use, only for assistance for—

- (A) the production, preservation, and rehabilitation of rental housing, including housing under the programs identified in section 1335(a)(2)(B) and for operating costs, **[except that not less than 75 percent]** *except that—*

(i) not less than 75 percent of such grant amounts shall be used for the benefit only of extremely low-income families or families with incomes at or below the poverty line (as such term is defined in section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902), including any revision required by such section) applicable to a family of the size involved, and not more than 25 percent for the benefit only of very low-income families; and

(ii) notwithstanding any other provision of law, all rental housing dwelling units shall be subject to legally binding commitments that ensure that the contribution toward rent by a family residing in the dwelling unit shall not exceed 30 percent of the adjusted income (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) of such family; and

(B) the production, preservation, and rehabilitation of housing for homeownership, including such forms as down payment assistance, closing cost assistance, and assistance for interest rate buy-downs, that—

(i) is available for purchase only for use as a principal residence by families that qualify both as—

(I) extremely low- and very low-income families at the times described in subparagraphs (A) through (C) of section 215(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(2)); and

(II) first-time homebuyers, as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), except that any reference in such section to assistance under title II of such Act shall for purposes of this subsection be considered to refer to assistance from affordable housing fund grant amounts;

(ii) has an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act;

(iii) is subject to the same resale restrictions established under section 215(b)(3) of the Cranston-Gonzalez National Affordable Housing Act and applicable to the participating jurisdiction that is the State in which such housing is located; and

(iv) is made available for purchase only by, or in the case of assistance under this subsection, is made available only to homebuyers who have, before purchase completed a program of independent financial education and counseling from an eligible organization that meets the requirements of section 132 of the Federal Housing Finance Regulatory Reform Act of 2008.

(8) **TENANT PROTECTIONS AND PUBLIC PARTICIPATION.**—All amounts from the Trust Fund shall be allocated in accordance with, and any eligible activities carried out in whole or in part with grant amounts under this subtitle (including housing provided with such grant amounts) shall comply with and be operated in compliance with—

(A) laws relating to tenant protections and tenant rights to participate in decision making regarding their residences;

(B) laws requiring public participation, including laws relating to Consolidated Plans, Qualified Allocation Plans, and Public Housing Agency Plans; and

(C) fair housing laws and laws regarding accessibility in federally assisted housing, including section 504 of the Rehabilitation Act of 1973.

(9) **ELIGIBLE RECIPIENTS.**—Grant amounts allocated to a State or State designated entity under this subsection may be provided only to a recipient that is an organization, agency, or other entity (including a for-profit entity or a nonprofit entity) that—

(A) has demonstrated experience and capacity to conduct an eligible activity under paragraph (7), as evidenced by its ability to—

(i) own, construct or rehabilitate, manage, and operate an affordable multifamily rental housing development;

(ii) design, construct or rehabilitate, and market affordable housing for homeownership; or

(iii) provide forms of assistance, such as down payments, closing costs, or interest rate buy-downs for purchasers;

(B) demonstrates the ability and financial capacity to undertake, comply, and manage the eligible activity;

(C) demonstrates its familiarity with the requirements of any other Federal, State, or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

(D) makes such assurances to the State or State designated entity as the Secretary shall, by regulation, require to ensure that the recipient will comply with the requirements of this subsection during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all activities under paragraph (8) that are engaged in by the recipient and funded with such grant amounts.

(10) LIMITATIONS ON USE.—

(A) REQUIRED AMOUNT FOR HOMEOWNERSHIP ACTIVITIES.—Of the aggregate amount allocated to a State or State designated entity under this subsection not more than 10 percent shall be used for activities under subparagraph (B) of paragraph (7).

(B) DEADLINE FOR COMMITMENT OR USE.—Grant amounts allocated to a State or State designated entity under this subsection shall be used or committed for use within 2 years of the date that such grant amounts are made available to the State or State designated entity. The Secretary shall recapture any such amounts not so used or committed for use and reallocate such amounts under this subsection in the first year after such recapture.

(C) USE OF RETURNS.—The Secretary shall, by regulation, provide that any return on a loan or other investment of any grant amount used by a State or State designated entity to provide a loan under this subsection shall be treated, for purposes of availability to and use by the State or State designated entity, as a grant amount authorized under this subsection.

(D) PROHIBITED USES.—The Secretary shall, by regulation—

(i) set forth prohibited uses of grant amounts allocated under this subsection, which shall include use for—

(I) political activities;

(II) advocacy;

- (III) lobbying, whether directly or through other parties;
- (IV) counseling services;
- (V) travel expenses; and
- (VI) preparing or providing advice on tax returns;

and for the purposes of this subparagraph, the prohibited use of funds for political activities includes influencing the selection, nomination, election, or appointment of one or more candidates to any Federal, State or local office as codified in section 501 of the Internal Revenue Code of 1986 (26 U.S.C. 501);

(ii) provide that, except as provided in clause (iii), grant amounts of a State or State designated entity may not be used for administrative, outreach, or other costs of—

- (I) the State or State designated entity; or
 - (II) any other recipient of such grant amounts;
- and

(iii) limit the amount of any grant amounts for a year that may be used by the State or State designated entity for administrative costs of carrying out the program required under this subsection, including home ownership counseling, to a percentage of such grant amounts of the State or State designated entity for such year, which may not exceed 10 percent.

(E) PROHIBITION OF CONSIDERATION OF USE FOR MEETING HOUSING GOALS OR DUTY TO SERVE.—In determining compliance with the housing goals under this subpart and the duty to serve underserved markets under section 1335, the Director may not consider any grant amounts used under this section for eligible activities under paragraph (7). The Director shall give credit toward the achievement of such housing goals and such duty to serve underserved markets to purchases by the enterprises of mortgages for housing that receives funding from such grant amounts, but only to the extent that such purchases by the enterprises are funded other than with such grant amounts.

(d) REDUCTION FOR FAILURE TO OBTAIN RETURN OF MISUSED FUNDS.—If in any year a State or State designated entity fails to obtain reimbursement or return of the full amount required under subsection (e)(1)(B) to be reimbursed or returned to the State or State designated entity during such year—

(1) except as provided in paragraph (2)—

(A) the amount of the grant for the State or State designated entity for the succeeding year, as determined pursuant to this section, shall be reduced by the amount by which such amounts required to be reimbursed or returned exceed the amount actually reimbursed or returned; and

(B) the amount of the grant for the succeeding year for each other State or State designated entity whose grant is not reduced pursuant to subparagraph (A) shall be increased by the amount determined by applying the formula established pursuant to this section to the total

amount of all reductions for all State or State designated entities for such year pursuant to subparagraph (A); or
 (2) in any case in which such failure to obtain reimbursement or return occurs during a year immediately preceding a year in which grants under this section will not be made, the State or State designated entity shall pay to the Secretary for reallocation among the other grantees an amount equal to the amount of the reduction for the entity that would otherwise apply under paragraph (1)(A).

(e) ACCOUNTABILITY OF RECIPIENTS AND GRANTEES.—

(1) RECIPIENTS.—

(A) TRACKING OF FUNDS.—The Secretary shall—

(i) require each State or State designated entity to develop and maintain a system to ensure that each recipient of assistance under this section uses such amounts in accordance with this section, the regulations issued under this section, and any requirements or conditions under which such amounts were provided; and

(ii) establish minimum requirements for agreements, between the State or State designated entity and recipients, regarding assistance under this section, which shall include—

(I) appropriate periodic financial and project reporting, record retention, and audit requirements for the duration of the assistance to the recipient to ensure compliance with the limitations and requirements of this section and the regulations under this section; and

(II) any other requirements that the Secretary determines are necessary to ensure appropriate administration and compliance.

(B) MISUSE OF FUNDS.—

(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance under this section is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this section, the regulations issued under this section, or any requirements or conditions under which such amounts were provided, the State or State designated entity shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the State or State designated entity for such misused amounts and return to the State or State designated entity any such amounts that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law.

(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is made by the Secretary or made by the State or State designated entity, provided that—

(I) the State or State designated entity provides notification of the determination to the Secretary

for review, in the discretion of the Secretary, of the determination; and

(II) the Secretary does not subsequently reverse the determination.

(2) GRANTEES.—

(A) REPORT.—

(i) IN GENERAL.—The Secretary shall require each State or State designated entity receiving grant amounts in any given year under this section to submit a report, for such year, to the Secretary that—

(I) describes the activities funded under this section during such year with such grant amounts; and

(II) the manner in which the State or State designated entity complied during such year with any allocation plan established pursuant to subsection (c).

(ii) PUBLIC AVAILABILITY.—The Secretary shall make such reports pursuant to this subparagraph publicly available.

(B) MISUSE OF FUNDS.—If the Secretary determines, after reasonable notice and opportunity for hearing, that a State or State designated entity has failed to comply substantially with any provision of this section, and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall—

(i) reduce the amount of assistance under this section to the State or State designated entity by an amount equal to the amount of grant amounts which were not used in accordance with this section;

(ii) require the State or State designated entity to repay the Secretary any amount of the grant which was not used in accordance with this section;

(iii) limit the availability of assistance under this section to the State or State designated entity to activities or recipients not affected by such failure to comply; or

(iv) terminate any assistance under this section to the State or State designated entity.

(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) EXTREMELY LOW-INCOME RENTER HOUSEHOLD.—The term “extremely low-income renter household” means a household whose income is not in excess of 30 percent of the area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(2) RECIPIENT.—The term “recipient” means an individual or entity that receives assistance from a State or State designated entity from amounts made available to the State or State designated entity under this section.

(3) SHORTAGE OF STANDARD RENTAL UNITS BOTH AFFORDABLE AND AVAILABLE TO EXTREMELY LOW-INCOME RENTER HOUSEHOLDS.—

(A) IN GENERAL.—The term “shortage of standard rental units both affordable and available to extremely low-in-

come renter households” means for any State or other geographical area the gap between—

(i) the number of units with complete plumbing and kitchen facilities with a rent that is 30 percent or less of 30 percent of the adjusted area median income as determined by the Secretary that are occupied by extremely low-income renter households or are vacant for rent; and

(ii) the number of extremely low-income renter households.

(B) RULE OF CONSTRUCTION.—If the number of units described in subparagraph (A)(i) exceeds the number of extremely low-income households as described in subparagraph (A)(ii), there is no shortage.

(4) SHORTAGE OF STANDARD RENTAL UNITS BOTH AFFORDABLE AND AVAILABLE TO VERY LOW-INCOME RENTER HOUSEHOLDS.—

(A) IN GENERAL.—The term “shortage of standard rental units both affordable and available to very low-income renter households” means for any State or other geographical area the gap between—

(i) the number of units with complete plumbing and kitchen facilities with a rent that is 30 percent or less of 50 percent of the adjusted area median income as determined by the Secretary that are occupied by very low-income renter households or are vacant for rent; and

(ii) the number of very low-income renter households.

(B) RULE OF CONSTRUCTION.—If the number of units described in subparagraph (A)(i) exceeds the number of very low-income households as described in subparagraph (A)(ii), there is no shortage.

(5) VERY LOW-INCOME FAMILY.—The term “very low-income family” has the meaning given such term in section 1303, except that such term includes any family that resides in a rural area that has an income that does not exceed the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), including any revision required by such section) applicable to a family of the size involved.

(6) VERY LOW-INCOME RENTER HOUSEHOLDS.—The term “very low-income renter households” means a household whose income is in excess of 30 percent but not greater than 50 percent of the area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall issue regulations to carry out this section.

(2) REQUIRED CONTENTS.—The regulations issued under this subsection shall include—

(A) a requirement that the Secretary ensure that the use of grant amounts under this section by States or State designated entities is audited not less than annually to ensure compliance with this section;

(B) authority for the Secretary to audit, provide for an audit, or otherwise verify a State or State designated entity's activities to ensure compliance with this section;

(C) a requirement that, for the purposes of subparagraphs (A) and (B), any financial statement submitted by a grantee or recipient to the Secretary shall be reviewed by an independent certified public accountant in accordance with Statements on Standards for Accounting and Review Services, issued by the American Institute of Certified Public Accountants;

(D) requirements for a process for application to, and selection by, each State or State designated entity for activities meeting the State or State designated entity's priority housing needs to be funded with grant amounts under this section, which shall provide for priority in funding to be based upon—

- (i) geographic diversity;
- (ii) ability to obligate amounts and undertake activities so funded in a timely manner;
- (iii) in the case of rental housing projects under subsection (c)(7)(A), the extent to which rents for units in the project funded are affordable, especially for extremely low-income families;
- (iv) in the case of rental housing projects under subsection (c)(7)(A), the extent of the duration for which such rents will remain affordable;
- (v) the extent to which the application makes use of other funding sources; and
- (vi) the merits of an applicant's proposed eligible activity;

(E) requirements to ensure that grant amounts provided to a State or State designated entity under this section that are used for rental housing under subsection (c)(7)(A) are used only for the benefit of extremely low- and very low-income families; and

(F) requirements and standards for establishment, by a State or State designated entity, for use of grant amounts in 2009 and subsequent years of performance goals, benchmarks, and timetables for the production, preservation, and rehabilitation of affordable rental and homeownership housing with such grant amounts.

(h) AFFORDABLE HOUSING TRUST FUND.—If, after the date of enactment of the Federal Housing Finance Regulatory Reform Act of 2008, in any year, there is enacted any provision of Federal law establishing an affordable housing trust fund other than under this title for use only for grants to provide affordable rental housing and affordable homeownership opportunities, and the subsequent year is a year referred to in subsection (c), the Secretary shall in such subsequent year and any remaining years referred to in subsection (c) transfer to such affordable housing trust fund the aggregate amount allocated pursuant to subsection (c) in such year. Notwithstanding any other provision of law, assistance provided using amounts transferred to such affordable housing trust fund pursuant to this subsection may not be used for any of the activities specified in clauses (i) through (vi) of subsection (c)(9)(D).

(i) FUNDING ACCOUNTABILITY AND TRANSPARENCY.—Any grant under this section to a grantee by a State or State designated entity, any assistance provided to a recipient by a State or State designated entity, and any grant, award, or other assistance from an affordable housing trust fund referred to in subsection (h) shall be considered a Federal award for purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note). Upon the request of the Director of the Office of Management and Budget, the Secretary shall obtain and provide such information regarding any such grants, assistance, and awards as the Director of the Office of Management and Budget considers necessary to comply with the requirements of such Act, as applicable, pursuant to the preceding sentence.

* * * * *

MINORITY VIEWS

Committee Republicans laud the efforts to end homeless. For example, since 2010, programs to address homeless veterans have seen at least a 50 percent decrease in homeless cases, as joint efforts between the Departments of Housing and Urban Development and Veterans Affairs target housing and services at the unique needs of those at-risk individuals who have served our country. However, there are fewer achievements to note for single adults, families, youth under the age of 18, or children recently emancipated from the state foster care system.

In 2018, at any point in time, 552,830 individuals were homeless in America. Of that number, 194,487 individuals were unsheltered, meaning that they were living in vehicles, tents, and makeshift dwellings, among other places. As these statistics show and the Committee received testimony in recent hearings, homelessness is a multifaceted problem and there is no substantial body of evidenced-based research that can tell us how to end homelessness.

However, H.R. 1856, the “Ending Homelessness Act of 2019,” ignores the need to develop more effective and efficient approaches in favor of simply throwing more money at the problem by increasing HUD homeless spending by 600 percent. There is no evidence that such spending will substantially or permanently address the underlying causes of homelessness.

Committee Republicans also note that since 2010, the combined federal budget for targeted homeless assistance programs, including HUD spending, has grown from approximately \$3.8 billion to more than \$6.14 billion in 2018, an increase of 62 percent. The Government Accountability Office (GAO) reported that 26 programs, across eight Federal agencies, targeted individuals or families experiencing or at risk for homelessness, with the majority of assistance coming from the Departments of Health and Human Services, Housing and Urban Development, and the Veterans Administration.

Since 2010, significant resources have been dedicated to addressing homeless. However, the performance metrics over the past eight years do not suggest that the current programs to end homelessness maximize effectiveness. Committee Republicans believe there should be stronger accountability, as well as demonstrable measurements of the effectiveness of taxpayer dollars, before adding significant amounts of new federal spending.

Committee Republicans are concerned that, if enacted, H.R. 1856 would lack appropriate Congressional oversight and fail to meet its stated purpose. Committee Republicans sought to ensure that the \$13 billion in mandatory spending under H.R. 1856 would be subject to appropriations, guaranteeing a regular and systematic review by Congress of how effective taxpayer resources are utilized to address ending homelessness. That accountability requirement was rejected, and H.R. 1856, as reported, would not give Congress

an opportunity to evaluate or adjust to ensure well-intentioned proposals as well as spending are successful.

H.R. 1856 creates new outreach and technical assistance programs where the objectives are vague and the metric for success is unclear. Moreover, H.R. 1856 would create funding formulae for new initiatives significantly balanced toward the largest metropolitan areas, at the expense of rural areas, small towns, and mid-size cities.

H.R. 1856 makes no provision to ensure an equitable distribution of resources on a national basis. In rural areas, large geographical areas are served by maybe one or no shelter or service at all. For example, it may take an hour or more by bus for a homeless person to find a shelter in rural areas. In the largest metropolitan areas, however, big shelters and comprehensive services are readily available. A 35 percent rural set aside or a limitation on funding the largest 25 metropolitan areas, as recommended by Committee Republicans, would have accounted for the significant need to address homelessness in rural, small town and mid-size cities. And, it would have ensured that H.R. 1856 is not biased towards the largest metropolitan urban areas.

All Members of the Committee remain committed to finding effective strategies to end homelessness. However, merely directing \$13 billion in new mandatory spending over five years to existing efforts won't end homelessness. Instead, Committee Republicans fear it will feed a broken system that will not deliver effective, lasting results.

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