

NPACH Chart – Summary of Key McKinney-Vento Reauthorization Provisions (H.R. 7221 / S. 1518)

<u>Issue</u>	<u>Current Law / Practice</u>	<u>H.R. 7221 / S. 1518</u>	<u>NPACH Position</u>
Definition of Homelessness	By statute, individuals and families who are living on the street, in emergency shelter, or in transitional housing. Under HUD practice, individuals and families who will lose their current housing within seven (7) days.	<ul style="list-style-type: none"> • Continues to cover people living on the street, in emergency shelter, or in transitional housing. • Clarifies that people who are homeless and temporarily enter an institution are homeless again upon discharge without a place to live. • Covers people who will lose their living arrangement within 14 days, including people living in their own housing, people living doubled up, and people who, at their own expense, move into motels or hotels. • Covers unaccompanied youth and families with children defined as homeless under broader federal laws (such as the McKinney-Vento education statute), provided that they haven't lived in permanent housing for a long time, have made frequent moves, and are likely to remain in their living situation for a long time, but limits funding for this population to 10% of funding. 10% limit does not apply in communities where the rate of homelessness is less than one tenth of 1% of the total population. • Covers people fleeing domestic violence or any other dangerous or life threatening conditions, including where health and safety of children are jeopardized. 	<p>The new legislation is an improvement on current law and practice. However, we are concerned that the new definition will prove complicated to administer at the local level, and that as a result many families in need of homeless assistance will not be found eligible.</p> <p>Furthermore, we continue to believe that arbitrary timelines and requirements for multiple moves exclude families and youth in need of assistance, particularly, as communities seek to respond to the economic and foreclosure crisis that is causing major increases in family homelessness. We support a greater role for people at the local level to make eligibility determinations based on needs.</p>

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Definition of “Chronic Homelessness”	Defined administratively by U.S. Interagency Council on Homelessness as a single disabled individual who has been homeless (on the street or in an emergency shelter) for more than a year or four times over a three year period.	Codifies definition in statute, expanding it to include families with a disabled head of household. Also allows individuals or families living in safe havens to qualify.	<p>We do not believe that a definition of “chronic” homelessness is necessary. Instead, we think that local communities understand what their long term homeless populations look like, and are capable of targeting resources to assist those populations without forcing individuals or families to remain homeless longer to qualify under an arbitrary standard. A family that has been homeless three times over three years, with a disabled head of household, may well need a permanent supportive housing unit. If such a unit is available, a family should not have to wait until they become homeless for a fourth time.</p> <p>If this definition is codified, we are pleased that it includes families with a disabled head of household, contrary to current administrative practice. However, we believe that it should also include families with a disabled child, as they could often benefit from permanent supportive housing.</p>

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U.S. Interagency Council on Homelessness	USICH is currently active. The Council appoints an Executive Director, who reports to the Chair of the Council. The Chair rotates on an annual basis between four federal agencies – HUD, HHS, Labor, and VA.	<p>Maintains current law but adds several new requirements.</p> <ul style="list-style-type: none"> • Requires USICH to submit a strategic plan to end homelessness to the President and Congress, within a year after the bill becomes law. • Requires USICH to convene a meeting with representatives from the Administration, Congress, homeless advocates, homeless service providers, and homeless persons, to discuss whether further changes to the definitions of homelessness used by HUD and other federal agencies are warranted. 	<p>To work effectively with all key federal agencies, the USICH Executive Director must be perceived by those agency heads as independent. If the Executive Director must report to the Council Chair, she will always be reporting to one particular agency, allowing other agency representatives to question her independence. In addition, during one four year Presidential term, the Executive Director would have four different “bosses,” making it difficult to ensure continuity in the Council’s work.</p> <p>Instead, we would prefer that the Council operate as an arm of the White House Domestic Policy Council. Under such a scenario, the Executive Director would report to the President, increasing her clout. In addition, the DPC would serve as an honest broker between often competing federal agencies, thereby increasing the likelihood that agencies would collaborate.</p>

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Continuums of Care	<p>Since the mid 1990's, HUD has distributed the competitive portion of McKinney-Vento funds through local Continuums of Care. The original intent of the CoC process was to require communities to identify homelessness needs in their jurisdictions, identify gaps in services to meet those needs, and propose new and renewal project requests to fill those gaps. However, in recent years, many local advocates and service providers have become concerned that HUD priorities and bonuses have required communities to respond to needs as determined by HUD, rather than needs as determined locally.</p> <p>In addition, many advocates for groups such as victims of domestic violence and young children feel that local CoC's have excluded them from the process of determining local needs and setting local funding priorities.</p>	<ul style="list-style-type: none"> • Renames Continuum of Care as "Collaborative Applicant." • Allows CA's to set up a process for evaluating gaps, needs, and priorities, without many specific requirements for how the process should be structured and operated. • Does not mandate participation by any group in the CA. • Requires that CA's participate in HMIS. • Permits Unified Funding Agencies – where the local CA would receive all of a community's McKinney-Vento funding and be responsible for distributing grant awards and related financial accounting, record keeping, and auditing. • CA's can either apply to be UFA's and be selected by HUD or HUD can designate a UFA in a community. 	<p>We support a more structured CA process, with requirements that representatives of certain constituencies be mandated CA participants if they are present in the community. In our view, the CA process should also be much more specific about local gaps and needs analysis, and HUD should not use bonuses or incentives to influence the local priority setting process. More discussion of the bonuses and incentives in H.R. 7211 and S. 1518 will take place later in this document.</p> <p>If a community wishes to have more local control, we are fine with a local decision that one agency apply to be a UFA. However, we are concerned about HUD's ability to designate a local UFA when the community does not choose to administer grants at the local level. Such a process could be used to impose a major administrative burden on local communities, without providing sufficient funds to absorb local administrative costs.</p>

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Homelessness Prevention	Current Emergency Shelter Grant (ESG) program is a formula grant program that distributes funds to local communities for homelessness prevention and shelter construction / rehabilitation activities. ESG receives 15% of annual McKinney-Vento appropriations. Under ESG allowable uses of funds for homelessness prevention are limited, inhibiting innovative local efforts to prevent homelessness.	<p>Current Emergency Shelter Grant program is renamed Emergency Solutions Grant program, retaining “ESG” acronym. ESG is increased to 20% of annual McKinney-Vento operations, provided that there is no effect on renewal of existing grants. Allowable uses of ESG funds are much broader.</p> <ul style="list-style-type: none"> • Renovation of buildings and building maintenance for emergency shelter remain eligible activities. Services in emergency shelter remain eligible activities as long as several conditions are met. However, funds used by communities for emergency shelter activities may not be greater than a) 60% of their <u>new total</u> ESG funding; or b) 100% of their <u>current</u> ESG spending for emergency shelter activities. • Eligible homelessness prevention activities include short or medium term housing assistance and a wide range of housing stabilization or relocation activities – such as housing search, credit repair, legal assistance, utility payments, moving expenses, or security deposits. 	<p>We are generally supportive of these changes, as they provide communities with the opportunity to use homeless assistance funding in a more flexible manner to help prevent homelessness. However, we do have several concerns.</p> <p>First, there is no requirement that communities spend a minimum amount of ESG funding on emergency shelter. We are concerned that this will result in communities choosing to eliminate emergency shelter capacity and spend all of their ESG funding on homelessness prevention. While in an ideal world it would be preferable to prevent all homelessness rather than having emergency shelters, we believe that in reality there are individuals and families who fall through the cracks and need emergency shelter.</p> <p>Second, with more funding going to ESG, a smaller percentage of funds will be available for the main McKinney-Vento program. Since many people are already homeless and need housing assistance, it will be imperative to increase McKinney-Vento appropriations so that we fund both homelessness prevention and housing with services for people who are already homeless.</p>

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Continuum of Care Programs	Under current law, HUD operates three homeless assistance grant programs through local Continuums of Care. The programs are Shelter Plus Care, Supportive Housing Program, and Section 8 Moderate Rehabilitation Program. Each program has different eligible activities, different match requirements, and different operating rules.	<p>The three existing homeless assistance grant programs would be consolidated into one program with one broad set of eligible activities, one match requirement, and one set of operating rules.</p> <ul style="list-style-type: none"> • HUD would be required to develop an appeals process for denied applications. • Eligible activities include transitional and permanent housing (including acquisition, construction, rehabilitation, leasing costs, operating costs, and rental assistance), supportive services for people who are homeless or previously homeless and now living in supportive housing, re-housing services, HMIS, and administrative costs. • Permanent housing assistance could be administered by either a state, a local government, or a public housing agency. • HUD Secretary could designate communities as “high performing communities.” Communities so designated would receive additional flexibility in local use of funds. • Each collaborative applicant must provide a 25% match, except that leasing costs are not subject to any match. An in-kind match is permitted, as long as a Memorandum of Understanding is signed indicating that the services will be provided. 	We support this program consolidation and broad range of eligible program activities. We are also pleased that there is one uniform match requirement of 25%, that this match requirement is spread across the entire Collaborative Applicant instead of falling on each project sponsor, and that the match requirement can be met through in kind contributions.

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Selection Criteria	HUD uses a wide range of selection criteria, as set forth in annual NOFA.	<p>Codifies a set of selection criteria in federal law. These criteria include:</p> <ul style="list-style-type: none"> • Previous performance with respect to homelessness, using factors such as homelessness prevention, how long people remain homeless, whether or not people who leave homelessness become homeless again in the future, job and income growth for homeless persons, and overall reductions in homelessness. • Quality of local plans to end homelessness, as measured by whether or not the plans set quantifiable performance measures, set timelines, identify funding sources, and otherwise demonstrate accountability. • Participation from a wide range of stakeholders in the Collaborative Applicant process. 	We support these selection criteria, but remain concerned that the selection criteria are so general that a community could receive the highest ratings in this area even if that community set up a planning process that failed to include key stakeholders such as representatives from public schools or domestic violence groups. Our strong preference would be for required participation from a small set of stakeholders, particularly education liaisons whose positions are mandated in the education title of the McKinney-Vento Act.

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Set-asides / Incentives	By NOFA, HUD has required 30% of funds to go to new permanent housing for individuals with disabilities or families with a disabled head of household. Different NOFAs in different years have imposed other more limited incentives.	<ul style="list-style-type: none"> • 30% set-aside remains, for permanent housing for individuals with disabilities or families with a disabled head of household. • However, 30% set-aside can be eliminated if a community can demonstrate that every individual or family needing permanent housing for persons with disabilities has such housing. • 30% set-aside can be suspended if maintaining it in a given year would not leave sufficient funding to renew all existing grants for one year. • 30% set-aside would be terminated if the Secretary finds that 150,000 new permanent housing units have been funded, since 2001, under the set-aside. • Additional 10% set-aside to provide or secure permanent housing for homeless families with children. Use of the word “secure” likely means that funds used for housing search and other types of assistance beyond actual rental assistance would satisfy the set-aside. • To the extent possible, the Secretary is asked to maintain a balance between incentives targeting individuals, families, and other homeless sub-populations. 	<p>We have long opposed the 30% set-aside and continue to do so. We also oppose the new 10% set-aside. The goals of both set-asides are laudable - to ensure that individuals and families in need receive permanent housing.</p> <p>That said, these set-asides are the wrong way to achieve that goal. By forcing communities to satisfy them, we inhibit local flexibility in responding to homelessness. In recent years, the existing 30% set-aside has resulted in lost homeless assistance grant funding in several communities choosing not to prioritize permanent housing, based on a valid local assessment of unmet needs. This should never occur.</p> <p>One might ask why a community would not seek to use funds for permanent housing. There are several possible reasons. First, they might believe that transitional housing is more cost effective. And second, they might have existing permanent housing resources, and therefore might prefer to spend McKinney-Vento funding on supportive services to match with that housing. This flexibility should be permitted.</p>

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Renewals of Permanent Housing	<p>Permanent housing funded through Shelter Plus Care Program is renewed through the Section 8 Program.</p> <p>Permanent housing funded through the Supportive Housing Program is renewed through the McKinney-Vento program.</p>	<p>All renewals of leasing, rental assistance, or operating costs for permanent housing will be funded through the Section 8 program.</p> <ul style="list-style-type: none"> • Tenant based assistance would be renewed on an annual basis. • Project based assistance could be renewed for a term of up to 15 years. 	<p>We strongly support this provision. Renewal costs for permanent housing are eating up a greater percentage of McKinney-Vento funding each year. As these costs skyrocket, HUD is unable to fund new homeless assistance projects. Since residents of permanent housing are arguably no longer homeless, it is appropriate for a permanent housing program such as Section 8 to cover their housing costs, thus freeing up homeless assistance dollars for individuals and families who are currently homeless.</p> <p>However, we do not want to see this provision result in cutbacks in assistance to existing Section 8 tenants. It would make no sense to see any individual or family lose their current Section 8 housing assistance in order to pay for a renewal of a McKinney-Vento funded housing unit. HUD and Congress must increase Section 8 renewal funding to ensure that this does not come to pass.</p>

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Rural Homelessness	Rural communities compete for HUD homeless assistance funding under the same conditions as urban and suburban communities. A separate rural homelessness program does exist under the McKinney-Vento statute. However, Congress has never funded it and consequently HUD has never implemented it.	<p>Updates the existing rural housing program and demonstrates the strong intent of Congress that HUD implement the program. As a result, rural communities would be allowed more flexibility than urban and suburban areas in the use of homeless assistance funding.</p> <p>Highlights of the program include:</p> <ul style="list-style-type: none"> • Same broad set of eligible activities as “regular” Continuum of Care program. • However, all funds could be used to assist individuals or families who are homeless OR at risk of homelessness. • The definition of “at risk of homelessness” is very broad – it includes individuals and families with an income below 30% of area median income, living in a hotel or motel, living in overcrowded housing, or living “doubled up.” 	<p>Homelessness looks different in rural areas than it does in cities and suburbs. In rural communities fewer individuals and families live on the street or in emergency shelter – in many rural communities, no emergency shelters exist.</p> <p>Recognizing these important differences, our preference would have been to have a single homeless assistance program that would be flexible enough for rural, urban, and suburban communities. Such a program was reflected in the original HEARTH Act – H.R. 840.</p> <p>But if there is to be a more restrictive program governing urban and suburban areas, than we strongly support providing this increased flexibility to rural communities.</p>

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<p>Protections For Homeless Children and Youth</p>	<p>These provisions do not exist in current law.</p>	<ul style="list-style-type: none"> • Starting two years after the bill passes, providers of emergency shelter, transitional housing, and permanent housing would be prohibited from denying admission to any family based on the age of any child under 18. This is designed to prevent involuntary family separation in order to receive emergency shelter or longer term housing. • All project sponsors must certify that they will establish policies consistent with the exercise of educational rights for children, youth, and families – under the Education title of McKinney-Vento and other federal laws. • All programs serving homeless families must designate a staff person to ensure that children in the program are enrolled in school and connected to other community services such as Head Start and IDEA. • When making placements in emergency shelter or transitional housing, Collaborative Applicants must agree to place homeless families, to the maximum extent practicable, as close as possible to their children’s school of origin, so as not to disrupt their education. • Continuum of Care plans must describe how the recipient will collaborate with local education agencies to assist in the identification of families, and how families and youth will be informed of their eligibility for McKinney-Vento education services. 	<p>NPACH and our partner organizations worked diligently to ensure that these key provisions to benefit homeless children were included in this legislation. We strongly support them.</p>

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Miscellaneous Provisions			
Formula	Funds are distributed through CDBG formula, which relies on 1974 criteria. Formula favors Northeastern and Midwestern states; disfavors Southern and Southwestern states.	Requires HUD Secretary to create a new formula within two years.	A new formula will result in “winners and losers” – some states will gain funding as others lose it. To prevent any state from losing funding for existing homeless programs, we believe that any formula change should include a “hold harmless” provision.
Funding Level	Current annual Homeless Assistance Grant funding is \$1.561 billion dollars.	Funding authority for current fiscal year and next fiscal year (FY 2009-2010) would jump to \$2.2 billion. This does not guarantee that \$2.2 billion would be spent – just that Congress could choose to spend up to that amount.	We supported an authorization of \$2.5 billion in the original HEARTH Act – H.R. 840.
Research	Current law does not provide research funding.	\$8 million per year is authorized for research on interventions to better assist homeless families.	We welcome new research on family homelessness, provided that the research is conducted by a diverse range of experts, including those with particular expertise on families and youth. We are concerned that HUD-funded “research” too often has been conducted for the purpose of supporting existing policy preferences.

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