

HIGHLIGHTS OF H.R. 840
HOMELESS EMERGENCY ASSISTANCE AND RAPID TRANSITION TO
HOUSING (HEARTH) ACT
as amended by the Manager's Amendment

Representatives Julia Carson (D-IN) and Geoff Davis (R-KY) introduced H.R. 840, the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) Act. The HEARTH Act with the manager's amendment, would reauthorize and significantly improve the housing titles of the McKinney-Vento Homeless Assistance Act of 1987.

- **Definition of Homelessness** – The HEARTH Act would change HUD’s definition of homelessness to include people who have lived in a series of temporary living situations such as sharing the housing of others or living in a motel and can only stay for a short time because they lack resources or support networks to obtain housing. The modification is a significant change from HUD's existing definition of homelessness because it includes people who are highly unstable, but sometimes slip through the cracks of existing homeless assistance programs. The definition also clarifies that people who have to leave their existing housing imminently—either because they are fleeing a dangerous situation, are being evicted, or for another reason—and who have no other housing, are homeless.
- **Increased Prevention** – The amended HEARTH Act would provide much greater resources to communities for prevention and rehousing targeted to those who are at-risk of homelessness, including people who have extremely low incomes and are doubled up, living in a hotel, or have a precarious housing situation. The bill would change the current Emergency Shelter Grants Program to the Emergency Solutions Grants (ESG) Program, require 20 percent of total funds to be directed toward ESG, and require that half of ESG funds are used for prevention and rehousing activities. Prevention activities include short or medium-term rental assistance and various housing relocation and stabilization services.
- **Family Rapid Rehousing Incentive** – The Act would require that HUD provide incentives for rapid rehousing programs for homeless families. Rapid rehousing programs have been successfully used in numerous communities to significantly reduce family homelessness. By dramatically reducing the length of time families are homeless, Rapid Rehousing programs ensure a quicker return to stability and self sufficiency.
- **Continued Attention to Chronic Homelessness** – The bill, as amended, would continue HUD's existing initiative to house people who experience chronic homelessness. However, it adds families with children to the initiative.
- **Permanent Housing Solutions** – The amended HEARTH Act would designate 30 percent of total funds for new permanent housing for families and individuals

with a disability. It would require that 10 percent of funds are used for permanent housing activities for families with children. Unlike existing practice, the 30 percent requirement would be adjusted to ensure that there are always resources available for new activities other than permanent housing.

- **Consolidate HUD's Competitive Grant Programs** – The HEARTH Act would consolidate the Supportive Housing Program, Shelter Plus Care, and the Moderate Rehabilitation/Single Room Occupancy Program into a single Continuum of Care program. This consolidation would allow communities to apply to one program rather than three, reducing the administrative burden and increasing flexibility and local decision-making.
- **Improving Homeless Assistance in Rural Communities** – The amended HEARTH Act creates the Rural Housing Stability Assistance Program. This program would grant rural communities greater flexibility in utilizing Homeless Assistance Grants, allowing rural areas more flexibility to identify and address the needs of homeless people or those in the worst housing situations in their communities. Rural communities would also be allowed to use more funding for capacity building.
- **Performance-Based Focus** – The HEARTH Act, as amended, would increase the emphasis on performance by measuring applicants progress at reducing homelessness and providing incentives for proven solutions like rapid rehousing for families and permanent supportive housing for chronically homeless people. The Act would also allow communities with low levels of homelessness or that are reducing homelessness to focus more on prevention and serving people who are at risk of homelessness.
- **Simplified Match Requirement** – The HEARTH Act would require that communities provide a 25 percent match, instead of the varying levels of matching funds required by existing statute.
- **\$2.5 Billion Authorization for Fiscal Year 2009**

KEY IMPROVEMENTS IN MANAGER'S AMENDMENT

The Manager's Amendment to the HEARTH Acts makes a number of improvements to the original bill introduced in February 2007.

More Focus on Homeless Families with Children

- Requires HUD to promote rapid rehousing efforts, which have effectively reduced family homelessness in numerous communities.
- Provides more resources for prevention so families don't have to enter the homeless assistance system to receive help.

- Requires that at least 10 percent of funds are used for permanent housing for families with children.
- Includes families in HUD's chronic homelessness initiative, which serves people who experience long-term or repeated homelessness and have disabling conditions.
- Adds a prohibition from discriminating against families with older children.
- Sets a goal of ensuring that no family has to be homeless for more than 30 days.

Accurate Definition of Homelessness

- The amendment modifies the definition of homelessness so that it includes people who are not necessarily living on the streets or in shelters, but who are very unstable. The definition in the introduced version of the HEARTH Act would have allowed communities to divert significant resources from people who with the most dire housing situations, including children, youth, and adults who languish in emergency shelters and on the streets. Under the amendment, people who are doubled up, but in more stable situations would not be defined as homeless, but they would be eligible for housing and services, including short and medium term rent assistance and services to help them stay in their current housing, or if it is more appropriate, to move into new housing.

Increased Flexibility for Communities

- The Manager's Amendment allows communities greater flexibility in soliciting input from key stakeholders and developing a structure that works for them. The original HEARTH Act required that every community set up a Community Board with requirements about the percentage of members who could be from different categories. The board would have had to approve all funding applications before the application could be submitted to HUD.

Permanent Housing Focus

- The Manager's Amendment assures that 30 percent of funding is used for new permanent housing for families and individuals with a disability. Unlike current practice, the set aside is adjusted to ensure that funding is available for new projects that are not permanent housing. The original HEARTH Act included no incentives or set asides for permanent housing for people with disabilities.
- The Manager's Amendment provides incentives for two strategies that successfully help homeless people move into permanent housing—Rapid Rehousing programs for homeless families and Permanent Supportive Housing for homeless individuals and families who experience chronic homelessness.

Other Improvements

- The amendment improves coordination with the Low Income Housing Tax Credit.
- The Manager's Amendment provides a stable funding structure for permanent housing renewals.