Public Law 100-628
100th Congress

An Act

Nov. 7, 1988
[H.R. 4352]

To amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Stewart B. McKinney Homeless Assistance Amendments Act of 1988. Disadvantaged persons. 42 USC 11301 note.

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Stewart B. McKinney Homeless Assistance Amendments Act of 1988".

(b) TABLE OF CONTENTS.—

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TITLE I—GENERAL PROVISIONS

SEC. 101. BUDGET COMPLIANCE.

42 USC 11303 note.

(a) IN GENERAL.—This Act and the amendments made by this Act may not be construed to provide for new budget authority, budget outlays, or new entitlement authority, for fiscal year 1989 or 1990 in excess of the appropriate aggregate levels established by the concurrent resolution on the budget for such fiscal year for the programs authorized by this Act and the amendments made by this Act.

(b) DEFINITIONS.—For purposes of this section, the terms "budget authority", "budget outlays", "concurrent resolution on the budget", and "entitlement authority" have the meanings given such terms in section 3 of the Congressional Budget Act of 1974 (2 U.S.C. 622).

SEC. 102. ANNUAL PROGRAM SUMMARY BY COMPTROLLER GENERAL.

(a) IN GENERAL.—Section 105 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11304) is amended—

(1) by inserting "annually" after "shall"; and

(2) by striking "a report" and all that follows and inserting the following: "to the Congress an annual summary of the status of each program authorized under this Act.".

(b) CONFORMING AMENDMENTS.—

(1) SECTION HEADING.—The heading for section 105 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11304) is amended by striking "AUDITS" and inserting "ANNUAL PROGRAM SUMMARY".

(2) TABLE OF CONTENTS.—The item relating to section 105 in the table of contents in section 101(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 prec.) is amended to read as follows:

"Sec. 105. Annual program summary by Comptroller General.".

TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS

SEC. 201. PREPARATION OF BIMONTHLY BULLETIN.

Section 203(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11313(a)) is amended—

(1) by striking "and" at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(7) prepare and distribute to States (including State contact persons), local governments, and other public and private nonprofit organizations, a bimonthly bulletin that describes the Federal resources available to them to assist the homeless, including current information regarding application deadlines and appropriate persons to contact in each Federal agency providing the resources.".

State and local governments.

SEC. 202. PROVISION OF PROFESSIONAL AND TECHNICAL ASSISTANCE.

Section 203(a)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11313(a)(4)) is amended—

(1) by striking ", through personnel employed by the Council in each of the 10 standard Federal regions," and inserting the following: "(by at least 2, but in no case more than 5, regional coordinators employed by the Council, each having responsibility for interaction and coordination of the activities of the Council within the 10 standard Federal regions)"; and

(2) by striking subparagraphs (A) and (B) and inserting the following:

"(A) interpret regulations and assist in the application process for Federal assistance, including grants;

"(B) provide assistance on the ways in which Federal programs, other than those authorized under this Act, may best be coordinated to complement the objectives of this Act;

"(C) develop recommendations and program ideas based on regional specific issues in serving the homeless population; and

"(D) establish a schedule for biennial regional workshops to be held by the Council in each of the 10 standard Federal regions to further carry out and provide the assistance described in subparagraphs (A), (B), and (C) and other appropriate assistance as necessary, of which—

"(i) not less than 5 such workshops shall be held by September 30, 1989; and

"(ii) at least 1 such workshop shall be held in each of the 10 Federal regions every 2 years, beginning on September 30, 1988;".

SEC. 203. ESTABLISHMENT OF PROGRAM TIMETABLES.

Section 203 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11313) is amended by adding at the end the following new subsection:

"(e) PROGRAM TIMETABLES.—Not later than 90 days after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, the head of each Federal agency that is a member of the Council and responsible for administering a program under this Act shall provide to the Council a timetable regarding program funding availability and application deadlines. The Council shall furnish such information to each State (including the State contact person).".

State and local governments.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

Section 208 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11318) is amended to read as follows:

"SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $1,100,000 for fiscal year 1989 and $1,200,000 for fiscal year 1990.".

SEC. 205. EXTENSION OF INTERAGENCY COUNCIL.

Section 209 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11319) is amended by striking "upon the expiration of the 3-year period beginning on the date of the enactment of this Act" and inserting "on October 1, 1990".

SEC. 206. ENCOURAGEMENT OF STATE INVOLVEMENT.

(a) IN GENERAL.—Title II of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11311 et seq.) is amended by adding at the end the following new section:

"SEC. 210. ENCOURAGEMENT OF STATE INVOLVEMENT. 42 USC 11320.

"(a) STATE CONTACT PERSONS.—Each State shall designate an individual to serve as a State contact person for the purpose of receiving and disseminating information and communications received from the Council, including the bimonthly bulletin described in section 203(a)(7).

"(b) STATE INTERAGENCY COUNCILS AND LEAD AGENCIES.—Each State is encouraged to establish a State interagency council on the homeless or designate a lead agency for the State for the purpose of assuming primary responsibility for coordinating and interacting with the Council and State and local agencies as necessary.".

(b) CONFORMING AMENDMENT.—The table of contents in section 101(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 prec.) is amended by inserting after the item relating to section 209 the following new item:

"Sec. 210. Encouragement of State involvement.".

TITLE III—FEDERAL EMERGENCY MANAGEMENT FOOD AND SHELTER PROGRAM

SEC. 301. REPORT ON EMERGENCY FOOD AND SHELTER GRANT PROGRAM.

Not later than 6 months after the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall submit a report to the appropriate committees of the Congress on the emergency food and shelter grant program administered under subtitle B of title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11341 et seq.). The report shall include—

(1) proposed legislation for a minimum of 2 alternative statutory formulas incorporating the criteria on which the distribution and disbursement of such grants is based, including utilization of data that reflect the number of long-term unemployed workers in the States involved (including those whose unemployment benefits have run out and those who have been out of work so long they are no longer actively seeking employment); and

(2) supporting evidence for each alternative formula and criteria that explains how each formula would be effective in targeting such grants to the areas in the Nation that have the greatest need.

SEC. 302. AUTHORIZATION OF APPROPRIATIONS.

Section 322 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11352) is amended to read as follows:

"SEC. 322. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $129,000,000 for fiscal year 1989 and $134,000,000 for fiscal year 1990.".

TITLE IV—HOUSING ASSISTANCE

Subtitle A—Comprehensive Homeless Assistance Plan

SEC. 401. SUBMISSION OF COMPREHENSIVE PLAN.

(a) ANNUAL SUBMISSION.—Section 401(a)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361(a)(1)) is amended by inserting "annually" after "submits".

(b) SUBMISSION TO OTHER JURISDICTIONS.—Section 401(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361(a)) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

State and local governments. Urban areas.

"(2) at the time of submission of the comprehensive plan to the Secretary—

"(A) in the case of a State, it also submits a copy of the comprehensive plan to each metropolitan city or urban county that is located in the State and is subject to the requirements of this subsection; and

"(B) in the case of a metropolitan city or urban county, it also submits a copy of the comprehensive plan to the State in which it is located; and".

SEC. 402. CONTENTS OF COMPREHENSIVE PLAN.

Section 401(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361(b)) is amended—

(1) in paragraph (3)—

(A) by inserting "facilities and" before "services"; and

(B) by striking "and" at the end;

(2) in paragraph (4)—

(A) by inserting "facilities and" before "services"; and

(B) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

State and local governments. Urban areas.

"(5) an identification of the appropriate person or agency to contact in the State, metropolitan city, or urban county regarding information relating to the contents of the comprehensive plan; and

"(6) an assurance that each recipient and project sponsor shall administer, in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.".

SEC. 403. PERFORMANCE REVIEWS.

Section 401(d)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361(d)(3)) is amended by inserting before the period the following: "or to respond to recommendations made in accordance with paragraph (2) that are received at least 60 days prior to the beginning of the fiscal year".

SEC. 404. COORDINATION.

Section 401 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361) is amended by adding at the end the following new subsection:

"(g) COORDINATION.—If the comprehensive plan submitted by a State contains a designation of a State agency or a State contact person to coordinate homeless assistance efforts in the State, each Federal agency that provides assistance under this Act shall provide to the designated State agency or contact person such information as may be appropriate to facilitate such coordination.". State and local governments.

Subtitle B—Emergency Shelter Grants

SEC. 421. DISTRIBUTION OF ASSISTANCE BY STATES TO PRIVATE NONPROFIT ORGANIZATIONS.

(a) IN GENERAL.—Section 413(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11373(a)) is amended by inserting "and private nonprofit organizations" after "local governments".

(b) DISTRIBUTIONS TO NONPROFITS.—Section 413(c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11373(c)) is amended by adding at the end the following new sentence: "Any State receiving assistance under this subtitle may distribute all or a portion of such assistance to private nonprofit organizations providing assistance to homeless individuals, if the local government for the locality in which the project is located certifies that it approves of the project.".

SEC. 422. ESSENTIAL SERVICES.

(a) AMOUNT PERMITTED.—Section 414 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11374) is amended—

(1) in subsection (a)(2)(B) and in subsection (b), by striking "15" and inserting "20"; and

(2) in subsection (a)(2)(B), by striking "the amount of any assistance to a" and inserting "the aggregate amount of all assistance to a State or".

(b) SUPPLEMENTAL USE OF ASSISTANCE.—Section 414(a)(2)(A) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11374(a)(2)(A)) is amended by inserting before the semicolon the following: ", or the use of assistance under this subtitle would complement those services".

SEC. 423. HOMELESSNESS PREVENTION AS AN ELIGIBLE ACTIVITY.

(a) IN GENERAL.—Section 414(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11374(a)) is amended by adding at the end the following:

"(4) Efforts to prevent homelessness such as financial assistance to families who have received eviction notices or notices of termination of utility services if— Utilities.

"(A) the inability of the family to make the required payments is due to a sudden reduction in income;

"(B) the assistance is necessary to avoid the eviction or termination of services;

"(C) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and

"(D) the assistance will not supplant funding for preexisting homelessness prevention activities from other sources. Activities under this paragraph shall be treated as 'essential services' for the purpose of paragraph (2)(B).".

42 USC 11374 note.

(b) REPORTING REQUIREMENT.—The Comptroller General of the United States shall conduct a study and report to the Congress not later than 1 year after the date of the enactment of this Act on various programs to prevent homelessness implemented by grantees, with particular focus on the different methods employed by grantees to determine eligibility for homelessness prevention assistance and restrictions or limitations, if any, imposed under such programs. Such report shall include—

(1) an examination of other homelessness prevention programs, including other Federal programs and State and local programs; and

(2) recommendations for such legislation as the Comptroller General determines appropriate, including recommendations on how to prevent homelessness as a result of mortgage foreclosures.

SEC. 424. REQUIRED USE OF BUILDING AS SHELTER.

Section 415(c)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11375(c)(1)) is amended to read as follows:

"(1) it will—

"(A) in the case of assistance involving major rehabilitation or conversion, maintain any building for which assistance is used under this subtitle as a shelter for homeless individuals and families for not less than a 10-year period;

"(B) in the case of assistance involving rehabilitation (other than major rehabilitation or conversion), maintain any building for which assistance is used under this subtitle as a shelter for homeless individuals and families for not less than a 3-year period; or

"(C) in the case of assistance involving solely activities described in paragraphs (2) and (3) of section 414(a), provide services or shelter to homeless individuals and families for the period during which such assistance is provided, without regard to a particular site or structure as long as the same general population is served.".

SEC. 425. AUTHORIZATION OF APPROPRIATIONS.

Section 417 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11377) is amended to read as follows:

"SEC. 417. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subtitle $120,000,000 for fiscal year 1989 and $125,000,000 for fiscal year 1990.".

Subtitle C—Supportive Housing

SEC. 441. AVAILABILITY OF OPERATING AND TECHNICAL ASSISTANCE FOR NEW STRUCTURES.

(a) DEFINITION OF PROJECT.—Section 422(7) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(7)) is amended by inserting before the period at the end the following: "or with

respect to which the Secretary provides technical assistance or annual payments for operating costs under this subtitle".

(b) OPERATING ASSISTANCE.—Section 423(a)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)(3)) is amended by inserting after "transitional housing" the following: "(without regard to whether the housing is an existing structure)".

(c) TECHNICAL ASSISTANCE.—Section 423(a)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)(4)) is amended to read as follows:

"(4) Technical assistance in—

"(A) establishing supportive housing in an existing structure;

"(B) operating supportive housing (without regard to whether the housing is an existing structure); and

"(C) providing supportive services to the residents of supportive housing (without regard to whether the housing is an existing structure).".

SEC. 442. PROJECT SPONSOR.

(a) IN GENERAL.—Section 422(8) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(8)) is amended by inserting before the period at the end the following: "or a public housing agency".

(b) STATE APPROVALS OF PERMANENT HOUSING FOR HANDICAPPED HOMELESS PERSONS.—

(1) PROJECT SPONSOR.—Section 422(8) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(8)) is amended by striking "the Governor or other chief executive official of a State" and inserting "a State".

(2) LETTERS OF PARTICIPATION.—Section 424(a)(2)(F)(i) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(a)(2)(F)(i)) is amended by striking "the Governor or other chief executive official of the State" and inserting "the State".

SEC. 443. MAXIMUM PERIOD OF RESIDENCE IN TRANSITIONAL HOUSING.

Section 422(12)(A) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(12)(A)) is amended in the first sentence by striking "within a reasonable amount of time, as determined by the Secretary" and inserting "within 24 months (or such longer period as the Secretary determines is necessary to facilitate the transition of homeless individuals to independent living)".

SEC. 444. DEFINITION OF PERMANENT HOUSING.

Section 422(12)(B) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(12)(B)) is amended by inserting after the first sentence the following: "The Secretary may waive the limitation contained in the preceding sentence if the applicant demonstrates that—

"(i) local market conditions dictate the development of a larger project; and

"(ii) such development will achieve the neighborhood integration objectives of the program within the context of the affected community.".

SEC. 445. USE OF ADVANCES TO REPAY DEBT.

(a) IN GENERAL.—Section 423(a)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)(1)) is amended by

adding at the end the following new sentence: "The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as supportive housing prior to the receipt of assistance.".

42 USC 11383 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to notifications of awards for grants made under subtitle C of title IV of the Stewart B. McKinney Homeless Assistance Act on or after November 1, 1987.

SEC. 446. LIMIT ON GRANTS.

Section 423(a)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)(2)) is amended by inserting ", in an amount not to exceed $200,000," after "A grant".

SEC. 447. ELIGIBLE ACTIVITIES.

Section 423(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)) is amended—

Handicapped persons.

(1) in paragraph (3), by inserting before the period at the end the following: ", and for operating costs for permanent housing for handicapped homeless persons, not to exceed 50 percent of the annual operating costs of such housing for the first year of operation, and not to exceed 25 percent of such costs for the second year of operation"; and

(2) by adding at the end the following:

"A recipient may receive assistance under both paragraphs (1) and (2).".

SEC. 448. EMPLOYMENT ASSISTANCE.

(a) AUTHORITY TO PROVIDE GRANTS.—Section 423(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)) is amended by inserting after paragraph (4) the following new paragraph:

"(5) A grant for establishing and operating an employment assistance program for the residents of transitional housing, which shall include—

"(A) employment of residents in the operation and maintenance of the housing; and

"(B) the payment of the transportation costs of residents to places of employment.".

(b) PRIORITY.—Section 424(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(b)) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) in the case of transitional housing, the extent to which the project contains an employment assistance program which meets the program criteria described in section 423(a)(5); and"

SEC. 449. LIMITS ON ADVANCES AND GRANTS.

(a) IN GENERAL.—Section 423(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)) is amended by adding at the end the following:

"The Secretary may increase the limit contained in paragraphs (1) and (2) to $400,000 in areas which the Secretary finds have high acquisition and rehabilitation costs.".

(b) LIMITED NEW CONSTRUCTION AUTHORITY.—Section 423 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383) is amended by adding at the end the following:

"(d) LIMITED NEW CONSTRUCTION AUTHORITY.—In addition to the purposes described in subsection (a)(1), an advance under such subsection may be used for new construction only if the Secretary finds that the project—

"(1) involves the cooperation of a city and a State university;

"(2) has the land donated by a State university;

"(3) proposes a supportive housing structure of at least 10,000 square feet; and

"(4) proposes a model supportive housing project with a comprehensive support system, including health services, job counseling, mental health services, and housing assistance and advocacy.".

SEC. 450. SITE CONTROL.

(a) REQUIREMENT.—

(1) IN GENERAL.—Section 424(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(a)) is amended by adding at the end the following:

"(3) The Secretary shall require that an application furnish reasonable assurances that the applicant will own or have control of a site for the proposed project not later than 6 months after notification of an award for grant assistance. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.". Grants.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies to notifications of awards for grants made under subtitle C of title IV of the Stewart B. McKinney Homeless Assistance Act on or after November 1, 1987. 42 USC 11384 note.

(b) PRIORITY.—Section 424(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(b)) (as amended by section 448 of this subtitle) is further amended—

(1) by striking "and" at the end of paragraph (7);

(2) by redesignating paragraph (8) as paragraph (9); and

(3) by inserting after paragraph (7) the following new paragraph:

"(8) the extent to which the applicant or project sponsor has control of the site of the proposed project; and".

SEC. 451. FLOOD PLAIN RESTRICTIONS.

Section 424 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384) is amended by adding at the end the following:

"(e) FLOOD PROTECTION STANDARDS.—Flood protection standards applicable to housing acquired, rehabilitated, or assisted under this subtitle shall be no more restrictive than the standards applicable under Executive Order No. 11988 (May 24, 1977) to the other programs under this title.".

SEC. 452. MATCHING REQUIREMENT.

Section 425 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11385) is amended to read as follows:

"SEC. 425. MATCHING FUNDS REQUIREMENTS.

"(a) IN GENERAL.—Each recipient shall be required to supplement the amount of assistance provided under paragraphs (1) and (2) of section 423(a) with an equal amount of funds from non-Federal sources. Each State submitting an application for permanent housing for handicapped homeless persons shall certify that it will supplement the amount of assistance provided under paragraphs (1) and (2) of section 423(a) with an equal amount of funds from non-Federal sources.

State and local governments.

"(b) NON-FEDERAL FUNDS.—For the purpose of this section, the term 'funds from non-Federal sources' includes State or local agency funds, any salary paid to staff to carry out the program of the recipient, any salary paid to residents of transitional housing under an employment assistance program described in section 423(a)(5), the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by the Secretary, and the value of any donated material or building and the value of any lease on a building.".

SEC. 453. REPORTS TO CONGRESS.

Section 427 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11387) is amended to read as follows:

"SEC. 427. REPORTS TO CONGRESS.

"The Secretary shall submit annually to the Congress a report summarizing the activities carried out under this subtitle and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall be submitted not later than 3 months after the end of each fiscal year (6 months in the case of fiscal year 1988).".

SEC. 454. AUTHORIZATION OF APPROPRIATIONS.

Section 428(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11388(a)) is amended to read as follows:

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle $100,000,000 for fiscal year 1989 and $105,000,000 for fiscal year 1990.".

SEC. 455. REALLOCATIONS.

Section 428 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11388) is amended by adding at the end the following new subsection:

"(d) REALLOCATIONS.—If, following the receipt of applications for the final funding round under this subtitle for any fiscal year, any amount set aside for assistance pursuant to subsection (b)(1), (b)(2), or (c) will not be required to fund the approvable applications submitted for such assistance, the Secretary shall reallocate such amount for other assistance pursuant to this subtitle.".

Subtitle D—Supplemental Assistance for Facilities To Assist the Homeless

SEC. 461. USE OF ASSISTANCE.

Section 432(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392(a)) is amended—

(1) in paragraph (1)–

(A) by striking "or" at the end of subparagraph (A); and

(B) by adding at the end the following new subparagraph: "(C) to provide supportive services for the homeless; or"; and

(2) in paragraph (2)—

(A) in subparagraph (A), by inserting "operation," after "renovation,"; and

(B) in subparagraph (B), by striking "homeless individuals" and inserting "the homeless".

SEC. 462. RESERVATION OF FUNDS.

The second sentence of section 432(d) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392(d)) is amended—

(1) by inserting "and services" after "facilities" each place it appears; and

(2) by striking "individuals and" and inserting "individuals or".

SEC. 463. SITE CONTROL.

(a) REQUIREMENT.—Section 432 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392) is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following:

"(e) SITE CONTROL.—The Secretary shall require that an application furnish reasonable assurances that the applicant will own or have control of a site for the proposed project not later than 6 months after notification of an award for grant assistance. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.". Grants.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to notifications of awards for grants made under subtitle D of title IV of the Stewart B. McKinney Homeless Assistance Act on or after November 1, 1987. 42 USC 11392 note.

SEC. 464. AUTHORIZATION OF APPROPRIATIONS.

The first sentence of section 434 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11394) is amended to read as follows: "There are authorized to be appropriated to carry out this subtitle $10,000,000 for fiscal year 1989 and $11,000,000 for fiscal year 1990.".

Subtitle E—Miscellaneous Provisions

SEC. 481. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS.

(a) INCREASE IN BUDGET AUTHORITY.—Section 441(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401(a)) is amended to read as follows:

"(a) INCREASE IN BUDGET AUTHORITY.—The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be

increased by $50,000,000 on or after October 1, 1988, and by $50,000,000 on or after October 1, 1989.".

(b) REHABILITATION OF EFFICIENCY UNITS.—Section 441(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401(b)) is amended by inserting before the period at the end the following: ", except that amounts made available under this section may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating such units.".

(c) FIRE AND SAFETY IMPROVEMENTS.—Section 441(d) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401(d)) is amended by adding at the end the following new sentence: "For purposes of this subsection, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.".

(d) ANNUAL ADJUSTMENT OF COST LIMITATION.—

(1) ADJUSTMENT REQUIRED.—Section 441(e) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401(e)) is amended by adding at the end the following new paragraph:

"(3) The Secretary of Housing and Urban Development shall increase the limitation in paragraph (1) on October 1 of each year by an amount necessary to take into account increases in construction costs during the previous 12-month period.".

42 USC 11401 note.

(2) EFFECTIVE DATE.—The first increase under the amendment made by paragraph (1) shall be effective with respect to assistance provided on or after October 1, 1988.

SEC. 482. ADMINISTRATIVE PROVISIONS.

(a) IN GENERAL.—Subtitle E of title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401 et seq.) is amended by adding at the end the following new section:

42 USC 11402.

"SEC. 443. ADMINISTRATIVE PROVISIONS.

"The provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this title.".

(b) CONFORMING AMENDMENT.—The table of contents in section 101(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 prec.) is amended by inserting after the item relating to section 442 the following new item:

"Sec. 443. Administrative provisions.".

42 USC 11301 note.

SEC. 483. REPORT ON EFFECT OF RENT CONTROL ON HOMELESSNESS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall submit to the Congress a report evaluating the impact of local housing rent controls and regulations on the rate of homelessness, and on the development, supply, availability, and affordability of housing, in major cities in the United States.

(b) SPECIFIC REQUIREMENTS.—The report required in this section shall include—

(1) a listing of localities that have housing rent controls or regulations, the nature and extent of such controls or regulations, and an assessment of the variance of such controls or regulations among localities;

(2) an evaluation of the impact of such controls or regulations on the development, supply, and growth of affordable rental housing for lower income families, including an accounting of

any increase or decrease in the supply of rental units that has occurred during the period of such controls or regulations;

(3) an evaluation of the benefits and effectiveness of such controls or regulations in ensuring affordable rents for lower income families;

(4) an evaluation of the relationship between the existence of such controls or regulations and Federal subsidized housing assistance in the locality, including whether such controls or regulations necessitate more or less Federal housing aid;

(5) an evaluation of the impact on the resident population of removing such controls or regulations, including an assessment of potential rent increases on lower income residents, the options available to localities to mitigate any such increases, the potential increased demand for Federal subsidized housing assistance, and the impact on fair market rents in the locality;

(6) an evaluation of the effect of such controls or regulations on commercial and nonrental housing development in the locality;

(7) a demographic review of the income levels of the population in controlled or regulated units;

(8) an evaluation of the effect of such controls or regulations on the quality of controlled or regulated units;

(9) an evaluation of compliance with such controls or regulations by owners, management, and residents of controlled or regulated units;

(10) an evaluation of the administration and enforcement of such controls or regulations by local officials;

(11) an evaluation of the impact of factors other than rent controls or regulations that affect the development of affordable housing in the locality;

(12) a comparison to other localities that have not instituted such controls or regulations on the supply, development, availability, and affordability of rental housing; and

(13) any other related issue the Secretary of Housing and Urban Development determines to be of interest or significance.

(c) DEADLINE.—The Secretary of Housing and Urban Development shall submit the report required in this section within 12 months after the date of the enactment of this Act.

SEC. 484. REPORT ON ALLOCATION FORMULAS.

The Secretary of Housing and Urban Development shall—

(1) examine whether an alternative system of distributing funds under title IV of the Stewart B. McKinney Homeless Assistance Act would be feasible to ensure that the funds are provided to the jurisdictions with the greatest need of assistance for the homeless; and

(2) not later than March 1, 1989, transmit to the Congress a report on such examination.

SEC. 485. REGULATIONS.

42 USC 11301 note.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development or other Federal entity involved shall by notice establish such requirements as may be necessary to carry out the amendments made by titles I through IV and by section 501(2)(B). The Secretary or other Federal entity involved shall issue regulations based on the notice not later than 12 months after the date of the enactment of this Act.

TITLE V—IDENTIFICATION AND USE OF SURPLUS FEDERAL PROPERTY

SEC. 501. IDENTIFICATION AND USE OF UNUTILIZED AND UNDER UTILIZED PUBLIC BUILDINGS AND PROPERTY.

Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411) is amended—

(1) by inserting "UNUTILIZED AND" before "UNDERUTILIZED" in the heading of such section;

(2) in subsection (a)—

(A) by inserting "unutilized or" before "underutilized";

(B) by inserting before "shall identify" a comma and "within 2 months after collecting such information,"; and

(3) in subsection (b)—

(A) in paragraph (1), by inserting after "agency's need" the following: "or to make the property available, on an interim basis, for use as facilities to assist the homeless"; and

(B) in paragraph (2), by inserting after "be declared excess" the following. "or made available on an interim basis for use as facilities to assist the homeless"; and

(4) in subsection (d)—

(A) by striking out "BY LEASE" from the heading of such subsection;

(B) by striking out paragraph (1) and inserting the following:

"(1) The ownership of buildings and property made available under this section shall not be transferred from the Federal Government. Property identified pursuant to subsection (a)—

"(A) which has been designated as surplus property, may be made available under this section only through the use of leases for at least 1 year; or

"(B) which has not been so designated, may be made available for interim use by lease for at least 1 year or by permit."; and

(C) in paragraph (2), by striking out "To permit leases of surplus Federal buildings and other real property under this section," and inserting in lieu thereof the following: "With respect to property identified under subsection (a) which has been designated as surplus property,".

TITLE VI—REVISION AND EXTENSION OF PROGRAMS OF HEALTH CARE FOR THE HOMELESS

Subtitle A—Categorical Grants for Primary Health Services and Substance Abuse Services

SEC. 601. INCREASE IN REQUIRED AMOUNT OF MATCHING FUNDS AND MODIFICATION IN ELIGIBILITY FOR WAIVER WITH RESPECT TO MATCHING FUNDS.

(a) INCREASE IN REQUIRED AMOUNT.—Section 340(e)(1)(A) of the Public Health Service Act (42 U.S.C. 256(e)(1)(A)) is amended—

(1) in clause (i), by striking "under the grant; and" and inserting the following: "for the first fiscal year of payments under the grant and 66⅔ percent of the costs of providing such services for any subsequent fiscal year of payments under the grant; and"; and

(2) in clause (ii), by striking "Federal funds" and all that follows and inserting the following: "Federal funds provided for the first fiscal year of payments under the grant and not less than $1 (in cash or in kind under such subparagraph) for each $2 of Federal funds provided for any subsequent fiscal year of payments under the grant."

(b) EFFECTIVE DATE FOR INCREASE.—The amendment made by subsection (a) shall take effect October 1, 1989. 42 USC 256 note.

(c) MODIFICATION IN ELIGIBILITY FOR WAIVER.—Section 340(e)(2) of the Public Health Service Act (42 U.S.C. 256(e)(2)) is amended to read as follows:

"(2) The Secretary may waive the requirement established in paragraph (1)(A) if the applicant involved is a nonprofit private entity and the Secretary determines that it is not feasible for the applicant to comply with such requirement.".

SEC. 602. ESTABLISHMENT OF AUTHORITY FOR TEMPORARY CONTINUED PROVISION OF SERVICES TO CERTAIN FORMER HOMELESS INDIVIDUALS.

(a) IN GENERAL.—Section 340 of the Public Health Service Act (42 U.S.C. 256) is amended—

(1) by redesignating subsections (h) through (q) as subsections (i) through (r), respectively; and

(2) by adding after subsection (g) the following new subsection:

"(h) TEMPORARY CONTINUED PROVISION OF SERVICES TO CERTAIN FORMER HOMELESS INDIVIDUALS.—If any grantee under subsection (a) has provided services described in subsection (f) or (g) to a homeless individual, any such grantee may, notwithstanding that the individual is no longer homeless as a result of becoming a resident in permanent housing, expend the grant to continue to provide such services to the individual for not more than 12 months.".

(b) CONFORMING AMENDMENTS.—

(1) Section 340(d)(1) of the Public Health Service Act (42 U.S.C. 256(d)(1)) is amended—

(A) in subparagraph (C), by striking "(h)" and inserting "(i)";

(B) in subparagraph (D), by striking "(i)" and inserting "(j)";

(C) in subparagraph (E), by striking "(j)" and inserting "(k)"; and

(D) in subparagraph (F), by striking "(k)" and inserting "(l)".

(2) Section 332(a)(3) of the Public Health Service Act (42 U.S.C. 254e(a)(3)) is amended by striking "340(q)(2)" and inserting "340(r)".

(3) Section 536(1) of the Public Health Service Act (42 U.S.C. 290cc-36(1)) is amended by striking "340(q)(2)" and inserting "340(r)".

SEC. 603. CLARIFICATION WITH RESPECT TO CERTAIN PROVISIONS.

(a) DEFINITION OF HOMELESS INDIVIDUAL.—Section 340(r)(2) of the Public Health Service Act (as redesignated in section 602(a)(1) of this title) is amended by striking "living accommodations." and inserting "living accommodations and an individual who is a resident in transitional housing.".

(b) PROVISION OF TECHNICAL ASSISTANCE.—Section 340(o)(2) of the Public Health Service Act (as redesignated in section 602(a)(1) of this title) is amended by striking "(p)(1)," and inserting "(q)(1) for a fiscal year,".

SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

Section 340(q)(1) of the Public Health Service Act (as redesignated in section 602(a)(1) of this title) is amended by striking "There are authorized" and all that follows and inserting the following: "There are authorized to be appropriated to carry out this section $61,200,000 for fiscal year 1989, $63,600,000 for fiscal year 1990, and $66,200,000 for fiscal year 1991.".

Subtitle B—Block Grant for Community Mental Health Services

SEC. 611. AUTHORIZATION OF APPROPRIATIONS AND CONTINGENT CONVERSIONS TO CATEGORICAL PROGRAM.

(a) IN GENERAL.—Section 535 of the Public Health Service Act (42 U.S.C. 290cc-35) is amended to read as follows:

"FUNDING

"SEC. 535. (a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $35,000,000 for each of the fiscal years 1989 and 1990 and such sums as may be necessary for fiscal year 1991.

"(b) EFFECT OF INSUFFICIENT APPROPRIATIONS FOR MINIMUM ALLOTMENTS.—

State and local governments.

"(1) If the amounts made available pursuant to subsection (a) are insufficient for providing each State with an allotment under section 521(a) of not less than $150,000, the Secretary shall, from such amounts as are made available pursuant to such subsection, make grants to the States for providing to homeless individuals the mental health services described in section 524.

"(2) Paragraph (1) may not be construed to require the Secretary to make a grant under such paragraph to each State.".

(b) FAILURE OF STATE WITH RESPECT TO EXPENDING ALLOTMENT.—Section 529 of the Public Health Service Act (42 U.S.C. 290cc-29) is amended to read as follows:

"CONVERSION TO STATE CATEGORICAL PROGRAM IN EVENT OF FAILURE OF STATE WITH RESPECT TO EXPENDING ALLOTMENT

"SEC. 529. (a) IN GENERAL.—Subject to subsection (c), the Secretary shall, from amounts described in subsection (b), make grants to public and nonprofit private entities for the purpose of providing to homeless individuals the mental health services described in section 524.

"(b) DESCRIPTION OF FUNDS.—The amounts referred to in subsection (a) are any amounts made available in appropriations Acts for allotments under section 521(a) that are not allotted under such section to a State as a result of—

"(1) the failure of the State to submit an application under section 522;

"(2) the failure, in the determination of the Secretary, of any State to prepare within a reasonable period of time such application in compliance with such section; or

"(3) the State informing the Secretary that the State does not intend to expend the full amount of the allotment made to the State.

"(c) REQUIREMENT OF PROVISION OF SERVICES IN CERTAIN STATES.—With respect to grants under subsection (a), amounts made available pursuant to subsection (b) as a result of the State involved shall be available only for grants to provide services in such State.".

SEC. 612. ELIGIBILITY OF TERRITORIES.

(a) DEFINITION OF STATE.—Section 536(3) of the Public Health Service Act (42 U.S.C. 290cc-36(3)) is amended by striking "Columbia," and all that follows and inserting the following: "Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands.".

(b) MINIMUM ALLOTMENT.—Section 528(a)(1) of the Public Health Service Act (42 U.S.C. 290cc-28(a)(1)) is amended to read as follows:

"(1) $275,000 for each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico and $50,000 for each of Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands; and". District of Columbia.

SEC. 613. TECHNICAL AND CONFORMING AMENDMENTS.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended—

(1) in section 521(a), by amending the first sentence to read as follows: "The Secretary shall for each of the fiscal years 1989 through 1991 make an allotment for each State in an amount determined in accordance with section 528."; 42 USC 290cc-21.

(2) in section 541(a)(4), by striking "522" and inserting "543"; 42 USC 290dd.

(3) in section 545(d), by striking "526" and inserting "547"; and 42 USC 290ee.

(4) in section 546(a)(4), by striking "521" and inserting "542". 42 USC 290ee-1.

Subtitle C—Authorization of Appropriations for Community Demonstration Projects

SEC. 621. MENTAL HEALTH SERVICES FOR HOMELESS INDIVIDUALS WITH CHRONIC MENTAL ILLNESS.

The first sentence of section 612(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 290aa-3 note) is amended to read as follows: "For payments pursuant to section 504(f) of the Public Health Service Act, there are authorized to be appropriated $11,000,000 for fiscal year 1989, $11,500,000 for fiscal year 1990, and such sums as may be necessary for fiscal year 1991, in addition to any other amounts authorized to be appropriated for such payments for each of such fiscal years.".

SEC. 622. ALCOHOL AND DRUG ABUSE TREATMENT OF HOMELESS INDIVIDUALS.

Section 513(b) of the Public Health Service Act (42 U.S.C. 290bb-2(b)) is amended to read as follows:

"(b) There are authorized to be appropriated to carry out section 512(c) $14,000,000 for fiscal year 1989, $17,000,000 for fiscal year 1990, and such sums as may be necessary for fiscal year 1991.".

Subtitle D—General Provisions

42 USC 256 note.

SEC. 631. EFFECTIVE DATES.

The amendments made by subsection (a) of section 601 shall take effect in accordance with subsection (b) of such section. The amendments otherwise made by this title shall take effect October 1, 1988, or upon the date of the enactment of this Act, whichever occurs later.

TITLE VII—EDUCATION, TRAINING, AND COMMUNITY SERVICES PROGRAMS

Subtitle A—Homeless Assistance Programs

SEC. 701. ADULT EDUCATION FOR THE HOMELESS.

Contracts.
Grants.

(a) GENERAL AUTHORITY.—

(1) IMPLEMENTATION.—Section 702(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421(a)) is amended by striking "to develop a plan and implement a program" and inserting the following: "to implement, either directly or through contracts and grants, a program".

(2) CONFORMING AMENDMENTS.—

(A) SECTION HEADING.—The heading of section 702 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421) is amended by striking "STATEWIDE" and inserting "STATE".

(B) TABLE OF CONTENTS.—The item relating to section 702 in the table of contents in section 101(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 prec.) is amended to read as follows:

"Sec. 702. State literacy initiatives.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 702(c)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421(c)(1)) is amended to read as follows:

"(1) There is authorized to be appropriated $10,000,000 for each of the fiscal years 1989 and 1990 for the adult literacy and basic skills remediation programs authorized by this section.".

(c) DEFINITION OF STATE.—Section 702(d) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421(d)) is amended—

(1) by striking "and"; and

(2) by inserting before the period at the end the following: ", the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands".

SEC. 702. EDUCATION FOR HOMELESS CHILDREN AND YOUTH.

(a) GRANTS FOR STATE ACTIVITIES.—

(1) ALLOCATION.—Section 722(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(b)) is amended by inserting before the period at the end the following: "and 0.1 percent of the amount appropriated for each fiscal year shall be allocated by the Secretary among the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands". Territories, U.S.

(2) TECHNICAL AMENDMENT.—Section 722(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(b)) is amended by striking "section 111" and all that follows through "of 1981)" and inserting "section 1005 of the Elementary and Secondary Education Act of 1965".

(3) DATA GATHERING.—Section 722(d)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(d)(1)) is amended by inserting "annually" before "gather".

(4) REPORTS.—Section 722(d)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(d)(3)) is amended to read as follows:

"(3) prepare and submit to the Secretary not later than December 31 of each year a report on the data gathered pursuant to paragraph (1).".

(5) AUTHORIZATION OF APPROPRIATIONS.—Section 722(g)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(g)(1)) is amended to read as follows:

"(1) There is authorized to be appropriated to carry out this section $5,000,000 for each of the fiscal years 1989 and 1990.".

(b) EXEMPLARY GRANTS AND DISSEMINATION OF INFORMATION.—Section 723(f) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11433(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,500,000 for each of the fiscal years 1989 and 1990.".

(c) DEFINITION OF STATE.—Section 725(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11435(2)) is amended—

(1) by striking "and"; and

(2) by inserting before the period at the end the following: ", the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands".

SEC. 703. JOB TRAINING FOR THE HOMELESS.

(a) DEFINITION OF STATE.—Section 737(5) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11447(5)) is amended—

(1) by striking "and" and inserting a comma; and

(2) by inserting before the period at the end the following: ", the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 739(a)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11449(a)(1)) is amended to read as follows:

"(1) There is authorized to be appropriated to carry out this subtitle $13,000,000 for each of the fiscal years 1989 and 1990, of which amount $2,200,000 for each fiscal year shall be available only to carry out section 738.".

(c) RATABLE REDUCTIONS.—Section 739(a)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11449(a)(2)) is amended—

(1) by striking "in fiscal year 1988" and inserting "for any fiscal year"; and

(2) by striking "$12,000,000" and inserting "the amount authorized in paragraph (1)".

SEC. 704. EMERGENCY COMMUNITY SERVICES HOMELESS GRANT PROGRAM.

State and local governments.

(a) ALLOCATION OF GRANTS.—The second sentence of section 752(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11462(a)) is amended to read as follows: "Such grants shall be allocated to the States (as defined in section 673 of such Act) in accordance with the formulas set forth in subsections (a) and (b) of section 674 of such Act.".

(b) PROGRAM REQUIREMENTS.—

(1) ADDITIONAL ELIGIBLE USE OF FUNDS.—Section 753(c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11463(c)) is amended by adding at the end the following new paragraph:

Utilities.

"(4) Provision of assistance to any individual who has received a notice of foreclosure, eviction, or termination of utility services, if—

"(A) the inability of the individual to make mortgage, rental, or utility payments is due to a sudden reduction in income;

"(B) the assistance is necessary to avoid the foreclosure, eviction, or termination of utility services; and

"(C) there is a reasonable prospect that the individual will be able to resume the payments within a reasonable period of time.".

(2) MAXIMUM AMOUNT AVAILABLE FOR ADDITIONAL ELIGIBLE USE.—Section 753(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11463(b)) is amended—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) not more than 25 percent of the amounts received will be used for the purpose described in subsection (c)(4).".

(c) TIMELY AWARDING OF FUNDS.—

(1) 60-DAY REQUIREMENT FOR AWARDING FUNDS.—Section 753(b)(1)(A) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11463(b)(1)(A)) is amended in the matter preceding clause (i) by inserting after "receives" the following: ", by not later than 60 days after such receipt,".

(2) COMPLIANCE WITH 60-DAY REQUIREMENT.—Section 753 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11463) is amended by adding at the end the following new subsection:

"(d) COMPLIANCE WITH 60-DAY REQUIREMENT.—It shall be left solely to the discretion of the Secretary to enforce the 60-day requirement specified in subsection (b)(1)(A).".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 754 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11464) is amended to read as follows:

"SEC. 754. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subtitle $42,000,000 for each of the fiscal years 1989 and 1990.".

SEC. 705. TECHNICAL AMENDMENTS TO OLDER AMERICANS ACT OF 1965.

The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended—

(1) in section 102— 42 USC 3002.

(A) by redesignating paragraphs (8) and (9), as added by section 146(a) of the Older Americans Act Amendments of 1987 (Public Law 100-175; 101 Stat. 950), as paragraphs (10) and (11), respectively; and

(B) by redesignating paragraph (8), as added by section 182(b)(1)(B) of the Older Americans Act Amendments of 1987 (Public Law 100-175; 101 Stat. 964), as paragraph (12);

(2) in section 204(a)(1), by inserting a comma after "minorities"; 42 USC 3015.

(3) in section 301(a), by striking "Hawaiian organizations,," and inserting "Hawaiian organizations,"; 42 USC 3021.

(4) in section 305— 42 USC 3025.

(A) in subsection (a)(1)(E), by striking "such areas,," and inserting "such areas,"; and

(B) in subsection (d), by redesignating subparagraphs (A), (B), (C), and (D) as paragraphs (1), (2), (3), and (4), respectively;

(5) in section 306(a)(1), by striking "such area,," and inserting "such area,"; 42 USC 3026.

(6) in section 307(a)(3)(A), by striking "; and" and inserting a period; 42 USC 3027.

(7) in section 411(c), by striking "disease and and" and inserting "disease and"; 42 USC 3031.

(8) in section 422(b)— 42 USC 3035a.

(A) in paragraph (1), by striking "Alzheimers' disease and other neurological and organic disorders of the Alzheimers' type" and inserting "Alzheimer's disease and related disorders with neurological and organic brain dysfunction"; and

(B) in paragraph (9)(B), by striking "ACTION" and inserting "the ACTION Agency"; and

(9) in section 507(3), by adding "; and" at the end. 42 USC 3056e.

Jobs for Employable Dependent Individuals Act.
29 USC 1501 note.

Subtitle B—Job Training Partnership Act

SEC. 711. SHORT TITLE.

This subtitle may be cited as the "Jobs for Employable Dependent Individuals Act".

SEC. 712. INCENTIVE BONUS ENTITLEMENT FOR EMPLOYABLE DEPENDENT INDIVIDUALS.

(a) AMENDMENTS TO JTPA.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.) (hereinafter in this title referred to as the "Act") is amended—

29 USC 49.

(1) by redesignating title V and all references thereto as title VI,

29 USC 49a, 49b, 49d–49j, 49*l*, 49*l*–1 and note; 42 USC 632, 633, 602; 29 USC 1504.
State and local governments.

(2) by redesignating sections 501, 502, 503, and 504 as sections 601, 602, 603, and 604, respectively, and

(3) by inserting after title IV the following new title:

"TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

29 USC 1791.

"SEC. 501. STATEMENT OF PURPOSE.

"It is the purpose of this title to entitle each State to the payment of a bonus for the successful job placement of certain employable dependent individuals.

29 USC 1791a.

"SEC. 502. DEFINITIONS.

"For the purpose of this title—

"(1) the term 'welfare assistance' means—

"(A) cash payments made pursuant to part A of title IV of the Social Security Act (relating to the aid to families with dependent children program);

"(B) general welfare assistance to Indians, as provided pursuant to the Act of November 2, 1921 (25 U.S.C. (13)), commonly referred to as the Snyder Act; or

"(C) cash assistance and medical assistance for refugees made available pursuant to section 412(e) of the Immigration and Nationality Act;

"(2) the term 'disability assistance' means benefits offered pursuant to title XVI of the Social Security Act (relating to the supplemental security income program);

"(3) the term 'long-term recipient' means an individual who has received the benefits described in paragraphs (1) and (2) for 24 months during the 28-month period immediately preceding application for programs offered under this title;

"(4) the term 'continuous employment' means gainful employment under which wages or salaries are reportable for unemployment insurance purposes, and such wages or salaries are earned during a total of 4 out of 5 consecutive calendar quarters;

"(5) the term 'supported employment' has the meaning given such term by section 7(18) of the Rehabilitation Act of 1973; and

"(6) the term 'Federal contribution' means the amount of the Federal component of cash payments to individuals within the

participating State under the programs described in this section, including part A of title IV of the Social Security Act.

"SEC. 503. ELIGIBILITY FOR INCENTIVE BONUSES. 29 USC 1791b.

"(a) IN GENERAL.—An individual shall be eligible to be counted for the purpose of this title if—

"(1) the individual is—

"(A) an eligible long-term recipient described in subsection (b);

"(B) an eligible young recipient described in subsection (c);

"(C) an eligible blind or disabled recipient described in subsection (d); or

"(D) an eligible young blind or disabled recipient described in subsection (e); and

"(2) the individual has met the requirements of section 504.

"(b) LONG-TERM RECIPIENT.—An eligible long-term recipient is an individual who—

"(1) is a long-term recipient of welfare assistance;

"(2) is the head of a household; and

"(3) had no marketable or significant work experience during the year preceding determination of eligibility for programs under this Act.

"(c) YOUNG RECIPIENT.—An eligible young recipient is an individual who—

"(1) is receiving welfare assistance at the time determination of eligibility is made for programs under this Act;

"(2) is the head of a household;

"(3) has not attained 22 years of age;

"(4) has not completed secondary school or its equivalent; and

"(5) had no marketable or significant work experience during the year preceding determination of eligibility for programs under this Act.

"(d) BLIND OR DISABLED RECIPIENT.—An eligible blind or disabled recipient is an individual who—

"(1) is blind or disabled;

"(2) is a long-term recipient of disability assistance; and

"(3) had no marketable or significant work experience during the year preceding determination of eligibility for programs offered under this Act.

"(e) YOUNG BLIND OR DISABLED RECIPIENT.—An eligible young blind or disabled recipient is an individual who—

"(1) is blind or disabled;

"(2) is receiving disability assistance at the time determination of eligibility is made for programs under this Act;

"(3) has not attained 22 years of age; and

"(4) had no marketable or significant work experience during the year preceding such determination of eligibility.

"SEC. 504. ADDITIONAL ELIGIBILITY REQUIREMENTS. 29 USC 1791c.

"(a) IN GENERAL.—An individual described in section 503 may not be considered eligible to be counted for the purpose of payment of an incentive bonus under this title unless such individual—

"(1) has successfully participated in education, training, or other activities offered under this Act;

"(2) has been placed in (A) unsubsidized, continuous employment or (B) supported employment following such participation;

"(3) receives from such employment a wage or income which is greater than or equal to such individual's placement bonus base; and

"(4) no longer receives cash benefits provided under the assistance programs described in paragraphs (1) and (2) of section 502, unless receipt of such benefits—

"(A) is limited to 1 calendar quarter (or an equivalent period) during the 5 calendar quarters used to determine continuous employment; and

"(B) is caused by a termination of employment due to—

"(i) a layoff or permanent closure of a plant or facility;

"(ii) a relocation of Federal facilities; or

"(iii) a natural disaster.

"(b) QUALIFIED EARNINGS.—An individual shall be considered to be earning a wage or income which meets the requirements of subsection (a)(3) if, during a period of continuous employment, the individual earns an income reportable for unemployment insurance purposes and does not receive cash benefits under the programs described in section 502.

"(c) EDUCATIONAL REQUIREMENTS.—An individual described in section 503 (c) or (e) shall be considered to have met the requirements of subsection (a)(1) if the individual no longer receives welfare assistance and—

"(1) reenrolls in secondary school or its equivalent and matriculates to the next grade level or its equivalent within 1 year of enrollment;

"(2) enrolls in an accredited vocational or technical school not less than full time and is making satisfactory progress in a course of study which can reasonably be expected to lead to employment; or

"(3) obtains the equivalent of a secondary school diploma within 12 months following the individual's determination of eligibility for programs offered under this title.

29 USC 1791d.

"SEC. 505. AMOUNT OF INCENTIVE BONUS.

"(a) IN GENERAL.—The amount of the incentive bonus paid to each State shall be equal to the sum of—

"(1) 75 percent of the placement bonus base for each successful placement in employment of an individual described in section 503;

"(2) 75 percent of the placement bonus base for the second continuous year of such employment; and

"(3) 75 percent of the placement bonus base for the third continuous year of such employment,

in excess of the number of such placements made in program year 1987 or such other base period as provided by agreement between the Governor and the Secretary.

"(b) PLACEMENT BONUS BASE FOR PURPOSES OF SECTION 503 (b) AND (c).—For the purpose of this section, the placement bonus base—

"(1) for an individual who qualifies under section 503(b) is equal to the sum of the Federal contribution to amounts received by the individual and the family of such individual under a State plan approved under part A of title IV of the Social Security Act, relating to aid to families with dependent children, or under section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to

refugees, or both, for the 2 fiscal years prior to the determination made under section 503 divided by 2; and

"(2) for an individual who qualifies under section 503(c) shall be the annual amount to which such individual would have been entitled for 1 year at the time of the determination of eligibility of the individual, if such individual has not received the benefits described in section 502(1)(A) for the prior year, under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act relating to cash assistance and medical assistance to refugees.

"(c) PLACEMENT BONUS BASE FOR PURPOSES OF SECTION 503 (d) AND (e).—For the purpose of this section, the placement bonus base—

"(1) for an individual who qualifies under section 503(d) is equal to the sum of the Federal contribution to amounts received by the individual under title XVI of the Social Security Act relating to supplemental security income for the 2 fiscal years prior to the determination made under section 503 divided by 2; and

"(2) for an individual who qualifies under section 503(e) shall be the annual amount to which such individual would have been entitled for 1 year at the time of the determination of eligibility of the individual, if such individual has not received the benefits described in section 502(2) for the prior year under title XVI of the Social Security Act, relating to supplemental security income.

"SEC. 506. APPLICATIONS AND VERIFICATION REQUIRED. 29 USC 1791e.

"(a) NOTICE OF INTENT TO PARTICIPATE.—Any State seeking to participate in the incentive bonus program established under this title shall notify the Secretary of its intent to do so not later than 30 days before the beginning of its first program year of participation.

"(b) APPLICATION.—(1) Any State seeking to receive an incentive bonus under this title shall submit an application to the Secretary. Such application shall contain or be accompanied by such information and assurances as the Secretary may reasonably require in order to ensure compliance with this title. Each application shall contain, at a minimum—

"(A) the placement bonus base for eligible individuals who serve to qualify the State for an incentive bonus; and

"(B)(i) a brief description of the unsubsidized employment or supported employment of such individuals; or

"(ii) a description of participation in educational activities, as permitted under section 504, by such individuals.

"(2) The application to participate in the incentive bonus program shall be submitted to the Secretary according to a schedule established by the Secretary in order to facilitate and expedite the processing, verification, and prompt payment of incentive bonuses.

"(c) NOTICE OF APPROVAL OR DENIAL.—The Secretary shall inform a State within 60 days after receipt of the application as to whether or not its application has been approved. The Secretary may not approve an application for payment of an incentive bonus without adequately verifying the accuracy of the information contained in the application. There shall be a rebuttable presumption that an individual is eligible to be counted for the purpose of payment of an incentive bonus under this title. When appropriate, the Secretary

may use a sampling methodology for such verifications in a manner approved by the Comptroller General of the United States.

"(d) SERVICE DELIVERY AREA PARTICIPATION.—Participation by a State in the incentive bonus program established under this title shall not prevent any service delivery area within the State from refusing to participate in such program.

29 USC 1791f.

"SEC. 507. PAYMENTS.

"(a) IN GENERAL.—For each program year for which funds are appropriated to carry out this title, the Secretary shall pay to each participating State the amount that State is eligible to receive under this section.

"(b) RATABLE REDUCTIONS.—If the amount so appropriated is not sufficient to pay to each State the amount each State is eligible to receive, the Secretary shall ratably reduce the amount paid to each State.

"(c) RATABLE INCREASES.—If any additional amount is made available for carrying out this title for any program year after the application of the preceding sentence, such additional amount shall be allocated among the States by increasing such payments in the same manner as they were reduced, except that no such State shall be paid an amount which exceeds the amount which it is eligible to receive under this section.

29 USC 1791g.

"SEC. 508. USE OF INCENTIVE BONUS FUNDS.

"(a) USE OF INCENTIVE BONUS FUNDS.—After submission and approval of an application for an incentive bonus payment and before receipt of such payment, the Governor of such State may reserve from State funds an amount equal to the amount of a bonus incentive requested in the application for the purpose of making expenditures in accordance with this title. Bonus payments received thereafter may be used for reimbursement of such expenditures.

"(b) LIMITATIONS.—(1)(A) During any program year, the Governor may use an amount not to exceed 15 percent of the State's total bonus payments or amounts reserved under subsection (a) for administrative costs incurred under this title, including data and information collection and compilation, recordkeeping, or the preparation of applications for incentive bonuses.

Contracts.

"(B) The amount of incentive bonus payments or the amounts reserved under subsection (a) which remain after the deduction of administrative expenses under paragraph (1) shall be distributed to service delivery areas within the State in accordance with an agreement between the Governor and representatives of such areas. Such agreement shall reflect an equitable method of distribution which is based on the degree to which the efforts of such area contributed to the State's qualification for an incentive bonus payment under this title.

"(2)(A) Subject to subparagraph (B), a maximum of 10 percent of the amounts received under this title in any program year by each service delivery area may be used for the administrative costs of establishing and maintaining systems necessary for operation of programs under this title, including incentive payments described in subsection (c), technical assistance, data and information collection and compilation, management information systems, post-program followup activities, and research and evaluation activities. The balance of funds not so expended shall be used for activities similar to activities described in section 204.

"(B) If a service delivery area determines that administrative costs under this title will exceed the 10 percent administrative allocation, such area may use an additional 5 percent allocation of bonus payments or amounts reserved under subsection (a) for such activities if such area demonstrates to the Governor that the administering agency in the area needs additional funds to continue administrative activities under this title.

"(c) INCENTIVE PAYMENTS TO SERVICE PROVIDERS.—Each service delivery area may make incentive payments to service providers within its service delivery area, including participating State and local agencies, and community-based organizations, that demonstrate effectiveness in delivering employment and training services to individuals such as those described in section 503.

"(d) APPLICATION OF SECTION RELATING TO ADMINISTRATIVE ADJUDICATIONS.—Section 166 of this Act, relating to administrative adjudication, shall apply to the distribution of incentive bonus payments under this section.

"SEC. 509. INFORMATION AND DATA COLLECTION. 29 USC 1791h.

"(a) TECHNICAL ASSISTANCE.—In order to facilitate the collection, exchange, and compilation of data and information required by this title, the Secretary shall, within 90 days after the date of enactment of this title, begin providing, on an ongoing basis, technical assistance to the States. Such assistance shall include, at a minimum, cost-effective methods for using State and Federal records to which the Secretary has lawful access. Records.

"(b) REGULATIONS.—The Secretary, the Secretary of Health and Human Services, and the Secretary of the Interior jointly shall issue regulations regarding the sharing, among States participating in the programs under this title, of the data and information necessary to fulfill the requirements of this title. Such regulations shall provide for—

"(1) the maintenance of confidentiality of the information so shared, in accordance with Federal and State privacy laws, and Classified information.

"(2) penalties for any violation of such regulations.

"(c) ANNUAL SURVEY.—The Secretary shall conduct an annual survey of States participating in programs under this title and shall report to the Congress concerning— Reports.

"(1) the success of such States in gathering the data and information required under this title; and

"(2) methods for improving and refining the ability of such States to gather the data and information required under this title.

"SEC. 510. START-UP COSTS. 29 USC 1791i.

"(a) APPLICATION.—Before notifying the Secretary of an intent to participate in the incentive bonus program established under this title, a State may apply to the Secretary for financial assistance in accordance with this section. Such application shall be submitted to the Secretary not later than 120 days before the beginning of the program year.

"(b) CONTENTS.—Applications submitted under this section shall contain such information as the Secretary may reasonably require.

"(c) DETERMINATIONS OF AWARDS.—(1) The Secretary shall determine the amounts to be awarded based on the need demonstrated in the application submitted by the State.

"(2) The Secretary shall notify the State of the determination made under this section no later than 60 days after receiving such State's application.

"(3)(A) Funds received by a State under this section shall be available for expenditure for the first 2 program years of such State's participation under this title, beginning with the program year following the program year in which a determination under this section is made. Expenditure of such funds (or any portion thereof) shall be considered an agreement by the State to participate in accordance with this title for a period of not less than 2 consecutive program years, beginning with the first program year in which such funds become available for expenditure.

"(B) Funds awarded to the State which remain unexpended at the end of such 2 program years shall be reallocated by the Secretary to other participating States.

"(C) Funds received under this section by the State shall be used for activities such as those described in section 508(b) and for higher costs incurred in overcoming the substantial barriers to employment experienced by individuals eligible under this title.

"(d) ALLOCATION.—Funds received under this section may be allocated to State agencies or service delivery areas within the State for expenditure in accordance with this title.

"(e) NOTICE OF PROPOSED RULEMAKING.—Not later than 3 months after the date of the enactment of this title, the Secretary shall issue a notice of proposed rulemaking with respect to this title and shall allow not less than 60 days for public comment. Final regulations shall be issued not later than 7 months following such date of enactment.

29 USC 1791j.

"SEC. 511. EVALUATION AND PERFORMANCE STANDARDS.

"(a) EVALUATION.—The Secretary shall conduct or provide for an evaluation of the incentive bonus program authorized under this title. The Secretary shall consider—

"(1) whether the program results in increased service under this Act to long-term welfare recipients and other hard-to-serve individuals;

"(2) whether the program results in sustained employment of such welfare recipients and individuals, with resultant welfare and other cost savings to the Federal Government;

"(3) whether the program is administratively feasible and cost effective;

"(4) whether the services provided to other eligible participants under part A of title II are affected by the implementation and operation of the incentive bonus program; and

"(5) such other factors as the Secretary deems appropriate.

"(b) REPORT TO CONGRESS.—Not later than January 1, 1996, the Secretary shall report to the Congress on the effectiveness of the incentive bonus program authorized under this title. Such report shall include an analysis of the costs of such program and the results of such activities.

"(c) PERFORMANCE STANDARD.— The Secretary shall establish a performance standard which weights performance outcomes under this title to reflect the higher costs incurred in overcoming the substantial barriers to employment experienced by individuals eligible under this title. Not later than 2 years after the first program year, the Secretary shall prepare and submit to the Congress a report on the effect of such standard.".

Reports.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Act is amended by inserting after the items relating to title IV the following new items:

"TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

"Sec. 501. Statement of purpose.
"Sec. 502. Definitions.
"Sec. 503. Eligibility for incentive bonuses.
"Sec. 504. Additional eligibility requirements.
"Sec. 505. Amount of incentive bonus.
"Sec. 506. Applications and verification required.
"Sec. 507. Payments.
"Sec. 508. Use of incentive bonus funds.
"Sec. 509. Information and data collection.
"Sec. 510. Start-up costs.
"Sec. 511. Evaluation and performance standards.".

SEC. 713. PROVISIONS FOR IMPROVING ASSISTANCE TO HARD-TO-SERVE INDIVIDUALS AND WELFARE RECIPIENTS.

(a) GOVERNORS' INCENTIVE GRANTS.—The first sentence of section 202(b)(3)(B) of the Act (29 U.S.C. 1602(b)(3)(B)) is amended by striking out ", including incentives for serving hard-to-serve individuals" and inserting in lieu thereof "and incentives for serving increased numbers of hard-to-serve individuals, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income".

(b) PERFORMANCE STANDARDS.—Section 106(e) of the Act (29 U.S.C. 1516) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall—

"(A) provide improved information and technical assistance on performance standards adjustments;

"(B) collect data that better specifies hard-to-serve individuals and long-term welfare dependency; and

"(C) provide guidance on setting performance goals at the service provider level that encourages increased service to the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.

The Secretary shall also reexamine performance standards to ensure that such standards provide maximum flexibility in serving the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.".

SEC. 714. CONFORMING AND MISCELLANEOUS AMENDMENTS.

(a) CONTENTS OF JOB TRAINING PLAN.—Section 104(b) of the Act (29 U.S.C. 1514(b)) (as amended by subsection (b)) is further amended—

(1) by redesignating paragraphs (7), (8), (9), (10), and (11) as paragraphs (8), (9), (10), (11), and (12), respectively; and

(2) by adding after paragraph (6) the following new paragraph:

"(7) a description of the procedures and methods of carrying out title V, relating to incentive bonus payments for the placement of individuals eligible under such title;".

(b) PERFORMANCE STANDARDS.—Section 106(b) of the Act (29 U.S.C. 1516(b)) is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary shall prescribe performance standards under this section for programs authorized by title V, relating to the placement of individuals eligible under such title, in accordance with the criteria specified in section 511(c).".

(c) PLAN COORDINATION.—Section 121(b) of the Act (29 U.S.C. 1531(b)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The State plan shall include a description of the manner in which the State will encourage the successful carrying out of—

"(A) training activities for eligible individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; and

"(B) the training services, outreach activities, and pre-employment supportive services furnished to such individuals.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 3 of the Act (29 U.S.C. 1502) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) Subject to paragraph (2), there are authorized to be appropriated for each of fiscal years 1990 through 1994 such sums as may be necessary to carry out title V.

"(2) No funds appropriated pursuant to this Act may be used to carry out such title for any fiscal year unless funds appropriated to carry out part A of title II exceed any change in the consumer price index from the amounts appropriated for the previous fiscal year to carry out such part.

"(3) From amounts authorized to be appropriated for title V pursuant to paragraph (1), not more than $5,000,000 may be used for purposes of section 510 of such title.".

(e) CONSTRUCTION.—(1) Part D of title I of the Act (29 U.S.C. 1571 et seq.) is amended by adding at the end thereof the following new section:

29 USC 1583.

"SEC. 172. CONSTRUCTION.

"(a) ELIGIBILITY.—Nothing in this Act shall be construed to limit the right of persons to remain eligible for assistance under title XIX of the Social Security Act, relating to Medicaid pursuant to section 1619(b) of such Act.

"(b) USE OF FUNDS.—Nothing in this Act shall be construed to authorize the use of funds under this Act for the ongoing support services provided to handicapped individuals placed in supported employment, as such term is defined in section 7(18) of the Rehabilitation Act of 1973.".

(2) The table of contents of the Act is amended by inserting after the item relating to section 171 the following new item:

"Sec. 172. Construction.".

TITLE VIII—VETERANS PROGRAMS

SEC. 801. MEDICAL PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Veterans' Administration for each of fiscal years 1989 and 1990, in addition to any funds appropriated pursuant to any other authorization (whether definite or indefinite) of appropriations for those fiscal years, the sum of $30,000,000 for the medical care of veterans by the Veterans' Administration.

(b) DOMICILIARY CARE.—Of the amount appropriated pursuant to subsection (a), 50 percent shall be available for—

(1) converting to use for domiciliary care beds the underused space located in facilities under the jurisdiction of the Administrator of Veterans' Affairs in urban areas in which there are significant numbers of homeless veterans; and

Urban areas.

(2) furnishing domiciliary care in such beds to eligible veterans (primarily homeless veterans) who are in need of such care.

(c) CHRONICALLY MENTALLY ILL HOMELESS VETERANS.—Of the amount appropriated pursuant to subsection (a), 50 percent shall be available for furnishing care and treatment and rehabilitative services under section 115 of the Veterans Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 501) to homeless veterans who have a chronic mental illness disability. Not more than $500,000 of the amount available under the preceding sentence shall be used for the purpose of monitoring the furnishing of such care and services and, in furtherance of such purpose, maintaining in the Veterans' Administration the equivalent of 10 full-time employees.

(d) LIMITATION.—Nothing in this section shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

TITLE IX—AID TO FAMILIES WITH DEPENDENT CHILDREN; UNEMPLOYMENT COMPENSATION

State and local governments.

SEC. 901. EXTENSION OF PROHIBITION AGAINST IMPLEMENTATION OF CERTAIN PROPOSED REGULATIONS.

Section 9118 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1383c) is amended by striking "October 1, 1988" and inserting "September 30, 1989".

SEC. 902. REVIEW OF POLICY GOVERNING USE OF AFDC FUNDS TO MEET EMERGENCY NEEDS OF FAMILIES ELIGIBLE FOR AFDC THROUGH EMERGENCY ASSISTANCE OR SPECIAL NEEDS PAYMENTS; REPORT TO CONGRESS.

(a) REVIEW OF POLICY.—The Secretary of Health and Human Services shall review the policies in effect, as of the date of the enactment of this section, with respect to the use by States of amounts paid to such States under the program of aid to families with dependent children under part A of title IV of the Social Security Act, in the form of payments of aid to meet special needs or emergency assistance under section 406(e) of such Act to meet emergency needs of families who are eligible for such aid.

(b) REPORT TO CONGRESS.—Not later than July 1, 1989, the Secretary of Health and Human Services shall submit to the Congress a report containing recommendations for legislative and regulatory changes designed to—

(1) improve the ability of the program of aid to families with dependent children under part A of title IV of the Social Security Act to respond to emergency needs of families who are eligible for such aid; and

(2) eliminate the use of funds provided to States under such program to pay for the provision of shelter in commercial or similar transient facilities.

Housing.
42 USC 11381 note.

SEC. 903. DEMONSTRATION PROJECTS TO REDUCE NUMBER OF HOMELESS AFDC FAMILIES IN WELFARE HOTELS.

(a) IN GENERAL.—In order to enable States to provide housing for homeless families who are recipients of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act in transitional facilities instead of in commercial or similar transient facilities, at least 2 but not more than 3 States may undertake and carry out demonstration projects in accordance with this section. States may use public or private nonprofit agencies in carrying out demonstration projects in accordance with this section. Demonstration projects under this section shall meet such conditions and requirements as the Secretary of Health and Human Services (in this section referred to as the "Secretary") shall prescribe.

(b) DUTIES OF SECRETARY OF HEALTH AND HUMAN SERVICES.—The Secretary shall—

(1) consider all applications received from States desiring to conduct demonstration projects under this section;

(2) transmit to the Comptroller General for review under subsection (e) a copy of each such application received;

(3) approve at least 2 but not more than 3 applications involving projects which appear likely to contribute significantly to the achievement of the purpose of this section; and

Grants.

(4) make grants from funds appropriated to carry out this section to each State whose application is so approved to carry out the project that is the subject of the application.

(c) PROJECT REQUIREMENTS.—The Secretary shall not approve an application received from a State for a demonstration project under this section unless the State agency that administers the program of aid to families with dependent children in the State under a State plan approved under part A of title IV of the Social Security Act demonstrates that the project will—

(1) provide housing in transitional facilities only to homeless families who are recipients of aid to families with dependent children under the State plan and who reside in commercial or similar transient facilities;

(2) permanently reduce the number of rooms used to house homeless families who are recipients of such aid in commercial or similar transient facilities by the number of units made available in transitional facilities in accordance with paragraph (1); and

(3) provide that the Federal share of the total amount of cash assistance provided under the project to families residing in transitional facilities plus the total amount of grants made to the State under this section must be less than or equal to the

Federal share of the cost of housing such families in commercial or similar transient facilities (including payments made to cover basic needs and services of such families).

(d) USE OF FUNDS.—Each State that receives funds under this section shall use such funds to—

(1) rehabilitate or construct transitional facilities which are easily convertible to permanent housing when such facilities are no longer needed as transitional facilities; and

(2) provide on-site social services at such facilities.

(e) GAO REVIEW OF APPLICATIONS.—Within 90 days after the Comptroller General receives from the Secretary a copy of an application submitted under this section, the Comptroller General shall review such application and report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on whether the Federal share of the total amount of cash assistance to be provided under the project which is the subject of the application to families residing in transitional facilities plus the total amount of grants to be made to the State under this section is less than or equal to the Federal share of the cost of housing such families in commercial or similar transient facilities (including payments made to cover basic needs and services of such families). Reports.

(f) AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there is authorized to be appropriated to the Secretary for the fiscal year 1990 not to exceed $20,000,000, which shall remain available until expended.

(g) DEFINITIONS.—As used in section 902 and this section:

(1) HOMELESS FAMILY.—The term "homeless family" means a dependent child or children and the relatives with whom such child or children are living, who—

(A) lack a fixed and regular nighttime address;

(B) have a primary residence that is a shelter designed for temporary accommodation, a hotel, or a motel; or

(C) are living in a place not designed for, or ordinarily used as, a regular sleeping accommodation.

(2) COMMERCIAL OR SIMILAR TRANSIENT FACILITIES.—The term "commercial or similar transient facilities" means transient accommodations in—

(A) a commercial hotel or motel operated by a privately owned for-profit entity; or

(B) a similar establishment which is not a transitional facility (whether or not directly operated or contracted for by the State or a political subdivision or by a not-for-profit organization authorized by the State or political subdivision to provide such accommodations).

(3) TRANSITIONAL FACILITY.—The term "transitional facility" means any facility operated by a State or local government or a nonprofit organization which, at a minimum—

(A) provides temporary and private sleeping accommodations, and temporary eating and cooking accommodations; and

(B) provides services to help families locate and retain permanent housing.

SEC. 904. PREVENTING FRAUD AND ABUSE IN HOUSING AND URBAN DEVELOPMENT PROGRAMS. 42 USC 3544.

(a) DEFINITIONS.—As used in this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(2) APPLICANT; PARTICIPANT.—The terms "applicant" and "participant" shall have such meanings as the Secretary by regulation shall prescribe, except that such terms shall include members of an applicant's or participant's household, and such terms shall not include persons whose involvement is only in their official capacity, such as State or local government officials and officers of lending institutions.

(3) PUBLIC HOUSING AGENCY.—The term "public housing agency" means any agency described in section 3(b)(6) of the United States Housing Act of 1937.

(b) APPLICANT AND PARTICIPANT CONSENT.—As a condition of initial or continuing eligibility for participation in any program of the Department of Housing and Urban Development involving initial and periodic review of an applicant's or participant's income, and to assure that the level of benefits provided under the program is correct, the Secretary may require that an applicant or participant—

(1) sign a consent form approved by the Secretary authorizing the Secretary, the public housing agency, or the owner responsible for determining eligibility for or level of benefits to request current or previous employers to verify salary and wage information pertinent to the applicant's or participant's eligibility or level of benefits; and

(2) sign a consent form approved by the Secretary authorizing the Secretary or the public housing agency responsible for determining eligibility or level of benefits to request a State agency charged with the administration of the State unemployment law to release wage information with respect to such applicant or participant or information regarding whether such applicant or participant is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such applicant or participant.

This consent form shall not be used to request taxpayer return information protected by section 6103 of the Internal Revenue Code of 1986.

(c) ACCESS TO STATE EMPLOYMENT RECORDS.—

(1) AMENDMENTS TO SOCIAL SECURITY ACT.—(A) Section 303 of the Social Security Act (42 U.S.C. 503) is amended by adding at the end the following new subsection:

"(i)(1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, only to officers and employees of the Department of Housing and Urban Development and to representatives of a public housing agency, any of the following information contained in the records of such State agency with respect to individuals applying for or participating in any housing assistance program administered by the Department who have signed an appropriate consent form approved by the Secretary of Housing and Urban Development—

"(i) wage information, and

"(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation,

and the amount of any such compensation being received (or to be received) by such individual, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to ensure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under a housing assistance program of the Department of Housing and Urban Development.

"(2) The Secretary of Labor shall prescribe regulations governing how often and in what form information may be disclosed under paragraph (1)(A). Regulations.

"(3) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he or she is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he or she shall make no future certification to the Secretary of the Treasury with respect to such State.

"(4) For purposes of this subsection, the term 'public housing agency' means any agency described in section 3(b)(6) of the United States Housing Act of 1937.

"(5) The provisions of this subsection shall cease to be effective beginning on October 1, 1994.". Termination date.

(B) Section 304(a)(2) of the Social Security Act (42 U.S.C. 504(a)(2)) is amended by striking "(e), or (h)" and inserting "(e), (h), or (i)".

(2) APPLICANT AND PARTICIPANT PROTECTIONS.—(A) In order to protect applicants for, and recipients of, benefits under the programs of the Department of Housing and Urban Development from the improper use of information obtained pursuant to the requirements of section 303(i) of the Social Security Act from the State agency charged with the administration of the State unemployment compensation law, officers and employees of the Department of Housing and Urban Development and representatives of public housing agencies may only use such information—

(i) to verify an applicant's or participant's eligibility for or level of benefits; or

(ii) in the case of an owner responsible for determining eligibility for or level of benefits, to inform such owner that an applicant's or participant's eligibility for or level of benefits is uncertain and to request such owner to verify such applicant's or participant's income information.

(B) No Federal, State, or local agency, or public housing agency, or owner responsible for determining eligibility for or level of benefits receiving such information may terminate, deny, suspend, or reduce any benefits of an applicant or participant until such agency or owner has taken appropriate steps to independently verify information relating to—

(i) the amount of the wages or unemployment compensation involved,

(ii) whether such applicant or participant actually has (or had) access to such wages or benefits for his or her own use, and

(iii) the period or periods when, or with respect to which, the applicant or participant actually received such wages or benefits.

(C) Such applicant or participant shall be informed by the agency or owner of the findings made by the agency or owner on the basis of such verified information, and shall be given an opportunity to contest such findings, in the same manner as applies to other information and findings relating to eligibility factors under the program.

(3) PENALTY.—(A) Any person who knowingly and willfully requests or obtains any information concerning an applicant or participant pursuant to the authority contained in section 303(i) of the Social Security Act under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term "person" as used in this paragraph shall include an officer or employee of the Department of Housing and Urban Development, an officer or employee of any public housing agency, and any owner responsible for determining eligibility for or level of benefits (or employee thereof).

(B) Any applicant or participant affected by (i) a negligent or knowing disclosure of information referred to in this section or in section 303(i) of the Social Security Act about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), or any regulation implementing this section or such section 303(i), or (ii) any other negligent or knowing action that is inconsistent with this section, such section 303(i), or any such implementing regulation may bring a civil action for damages and such other relief as may be appropriate against any officer or employee of any public housing agency or owner (or employee thereof) responsible for any such unauthorized action. The district court of the United States in the district in which the affected applicant or participant resides, in which such unauthorized action occurred, or in which the applicant or participant alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

Courts, U.S.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the provisions of this section shall take effect on September 30, 1989.

(2) OPTIONAL EARLY IMPLEMENTATION.—At the initiative of a State or an agency of the State, and with the approval of the Secretary of Labor, the amendments made by subsection (c)(1) may be made effective in such State on any date before September 30, 1989, which is more than 90 days after the date of the enactment of this section.

(3) REQUIREMENTS FOR STATE AGENCIES.—In the case of any State the legislature of which has not been in session for at least 30 calendar days (whether or not consecutive) between the date of the enactment of this Act and September 30, 1989, the amendments made by subsection (c)(1) shall take effect 30 cal-

endar days after the first day on which such legislature is in session on or after September 30, 1989.

TITLE X—HOUSING AND COMMUNITY DEVELOPMENT TECHNICAL AMENDMENTS

Subtitle A—Housing Assistance

SEC. 1001. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

(a) IN GENERAL.—Section 16(c) of the United States Housing Act of 1937 (42 U.S.C. 1437n(c)) is amended in the first sentence—

(1) by striking ", and" and inserting a comma;

(2) by striking ", as appropriate" and all that follows through "programs" and inserting the following: "an appropriate specific percentage of lower income families other than very-low income families that may be assisted in each assisted housing program"; and

(3) by inserting before the period at the end the following: ", and shall prohibit project owners from selecting families for residence in an order different from the order on the waiting list for the purpose of selecting relatively higher income families for residence".

(b) CLARIFICATION.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended by inserting before the semicolon at the end the following: "and shall not permit public housing agencies to select families for residence in an order different from the order on the waiting list for the purpose of selecting relatively higher income families for residence".

SEC. 1002. PUBLIC HOUSING CHILD CARE GRANTS.

(a) AVAILABILITY OF CHILD CARE SERVICES IN FACILITIES NEAR PUBLIC HOUSING.—Subsections (a), (b), (c), and (e) of section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z-6 note) are amended by inserting "or near" after "child care services in" each place it appears.

(b) CONFORMING AMENDMENTS.—

(1) ELIGIBLITY FOR ASSISTANCE.—Section 222(b) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z-6 note) is amended—

(A) by striking "in the project" each place it appears and inserting "for the project"; and

(B) in paragraph (2), by inserting "in or near the project" after "facilities".

(2) ALLOCATION OF ASSISTANCE.—Section 222(c)(3) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z-6 note) is amended by striking "established in" and inserting "established for".

SEC. 1003. PUBLIC HOUSING RESIDENT MANAGEMENT.

Section 20 of the United States Housing Act of 1937 (42 U.S.C. 1437r) is amended by adding at the end the following new subsection:

Contracts.

"(h) APPLICABILITY.—Any management contract between a public housing agency and a resident management corporation that is entered into after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 shall be subject to this section and the regulations issued to carry out this section.".

SEC. 1004. PROHIBITION OF REDUCTION OF SECTION 8 CONTRACT RENTS.

(a) IN GENERAL.—Section 8(c)(2)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(C)) is amended—

(1) in the first sentence, by striking "as hereinbefore provided" and inserting the following: "under subparagraphs (A) and (B)"; and

(2) by adding at the end the following new sentences: "Any maximum monthly rent that has been reduced by the Secretary after April 14, 1987, and prior to the enactment of this sentence shall be restored to the maximum monthly rent in effect on April 15, 1987. For any project which has had its maximum monthly rents reduced after April 14, 1987, the Secretary shall make assistance payments (from amounts reserved for the original contract) to the owner of such project in an amount equal to the difference between the maximum monthly rents in effect on April 15, 1987, and the reduced maximum monthly rents, multiplied by the number of months that the reduced maximum monthly rents were in effect.".

42 USC 1437f note.

(b) BUDGET COMPLIANCE.—During fiscal year 1989, the amendment made by subsection (a)(2) shall be effective only to such extent or in such amounts as are provided in appropriation Acts. For purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), to the extent that this section has the effect of transferring an outlay of the United States from one fiscal year to an adjacent fiscal year, the transfer is a necessary (but secondary) result of a significant policy change.

SEC. 1005. PROJECT-BASED SECTION 8 ASSISTANCE.

Regulations. 42 USC 1437f note. Contracts.

(a) IMPLEMENTATION OF PROGRAM.—To implement the amendment made by section 148 of the Housing and Community Development Act of 1987, the Secretary of Housing and Urban Development shall issue regulations that take effect not later than 30 days after the date of the enactment of this Act. Until the effective date of the regulations, the Secretary of Housing and Urban Development shall consider each application from a public housing agency to attach a contract for assistance payments to a structure, in accordance with the amendment made by such section 148 to section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)), and shall promptly approve such application if it meets the requirements of such section 8(d)(2).

(b) AVAILABILITY IN NEW CONSTRUCTION PROJECTS.—

(1) IN GENERAL.—Section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)) is amended—

(A) by inserting "(A)" after the paragraph designation;

(B) by striking "(A)" and "(B)" each place it appears and inserting "(i)" and "(ii)", respectively; and

(C) by adding at the end the following new subparagraph:

"(B) The Secretary shall permit any public housing agency to approve the attachment of assistance under subsection (b)(1) with respect to any newly constructed structure if—

"(i) the owner or prospective owner agrees to construct the structure other than with assistance under this Act and otherwise complies with the requirements of this section; and

"(ii) the aggregate assistance provided by the public housing agency pursuant to this subparagraph and the last sentence of subparagraph (A) does not exceed 15 percent of the assistance provided by the public housing agency.".

(2) REGULATIONS.—To implement the amendments made by this subsection, the Secretary of Housing and Urban Development shall issue regulations that take effect not later than 90 days after the date of the enactment of this Act.

42 USC 1437f note.

(c) RENEWAL OF CONTRACTS.—Section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)) (as amended by subsection (b) of this section) is further amended by adding at the end the following new subparagraph:

"(C) Any contract for assistance payments that is attached to a structure under this paragraph shall (at the option of the public housing agency but subject to available funds) be renewable for 2 additional 5-year terms, except that the aggregate term of the initial contract and renewals shall not exceed 15 years.".

(d) EXCEPTION TO 15 PERCENT LIMITATION.—

(1) ALTOONA, PENNSYLVANIA.—The Secretary of Housing and Urban Development, in accordance with paragraph (2) of section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)) but without regard to the 15 percent limitation set forth in such paragraph, shall permit the attachment of contracts for assistance payments to the facility located in Altoona, Pennsylvania, that is the Penn Alto Hotel and will include not less than 140 units of housing for the elderly.

Aged persons.

(2) MINNEAPOLIS, MINNESOTA.—Any tenant who is on the waiting list for dwellings in the Cedar Square West Project in Minneapolis, Minnesota, or is living in an overcrowded dwelling in the project, shall be given preference for the 250 project-based certificates under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that, before the date of the enactment of this Act, were offered in settlement for a lawsuit, notwithstanding section 8(d)(1)(A) of such Act. The Secretary of Housing and Urban Development, in accordance with paragraph (2) of section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)) but without regard to the 15 percent limitation set forth in such paragraph, shall permit the attachment of contracts for assistance payments to structures to the extent necessary to provide the assistance for such 250 certificates.

Contracts.

SEC. 1006. SECTION 8 ASSISTANCE FOR RESIDENTS OF RENTAL REHABILITATION PROJECTS.

Section 8(u) of the United States Housing Act of 1937 (42 U.S.C. 1437f(u)) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) the Secretary shall allocate assistance for certificates or vouchers under this section to ensure that sufficient resources are available to address the physical or economic displacement, or potential economic displacement, of existing tenants pursuant to paragraphs (1) and (2).".

SEC. 1007. RENTAL REHABILITATION PROGRAM.

(a) ADMINISTRATIVE EXPENSES.—Section 17(h) of the United States Housing Act of 1937 (42 U.S.C. 1437o(h)) is amended to read as follows:

"(h) ADMINISTRATIVE EXPENSES.—(1) Except as provided in paragraph (2), grantees receiving assistance under this section may not deduct therefrom any amounts to cover administrative expenses in carrying out their responsibilities under this section.

"(2) A grantee may use not more than 10 percent of its initial rental rehabilitation grant under subsection (c) for each year to cover administrative expenses in carrying out its responsibilities under this section. Any State shall share the amount provided pursuant to the preceding sentence with units of general local government administering the program with the State.".

State and local governments.

(b) CORRECTION OF CROSS-REFERENCE.—Section 17(i)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437o(i)(2)) is amended by striking "section 104(f)" and inserting "section 104(g)".

SEC. 1008. TWEEMILL HOUSE.

The Secretary of Housing and Urban Development shall process the application under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) for project 012-EH347 (Tweemill House) without regard to the cost limits that would otherwise be imposed pursuant to 24 C.F.R. 885.410(a)(1), and the assistance to such project under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) may exceed the fair market rents established under section 8(c)(1) of such Act.

SEC. 1009. HOUSING COUNSELING.

Section 106(a)(2) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(a)(2)) is amended by inserting before the period at the end of the first sentence the following: "or guaranteed or insured under chapter 37 of title 38, United States Code".

SEC. 1010. MULTIFAMILY HOUSING MANAGEMENT AND PRESERVATION.

(a) UNSUBSIDIZED PROJECTS.—Section 203(a)(1)(C) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(a)(1)(C)) is amended by striking ", on the date of assignment, occupied by low- and moderate-income persons" and inserting the following: "occupied by low- and moderate-income persons on the date of assignment or foreclosure (whichever is greater)".

(b) SECTION 8 ASSISTANCE.—The third sentence of section 203(d)(1) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(d)(1)) is amended to read as follows: "Such contracts shall be sufficient to assist (A) all units in multifamily housing projects that are subsidized projects or formerly subsidized projects; (B) in other multifamily housing projects owned by the Secretary, the units that, on the date title to the projects is acquired by the Secretary, are occupied by lower income families eligible for assistance under such section 8 or are vacant (which units shall be made available for such families as soon as possible); and (C) in all other multifamily housing projects, the units that are occupied by lower income families eligible for assistance under such section 8 on the date of assignment or foreclosure (whichever is greater).".

Contracts.

(c) RIGHT OF FIRST REFUSAL.—Section 203(e) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(e)) is amended to read as follows:

State and local governments.

"(e)(1) Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop a disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, including the initial sales price that is acceptable to the Secretary and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with subsections (a) and (d). The initial sales price shall reflect the value of the project as housing affordable to low- and moderate-income persons for the period required in subsection (d).

"(2) Upon approval of a disposition plan for a project, the Secretary shall notify the local government and the State housing finance agency (or other agency or agencies designated by the Governor) of the terms and conditions of the disposition plan. The local government and the designated State agency shall have 90 days to make an offer to purchase the project.

"(3) The Secretary shall accept an offer that complies with the terms and conditions of the disposition plan. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the preservation objectives of subsection (a) by actions that include extension of the duration of low- and moderate-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low- and moderate-income persons. The Secretary shall, in particular, have discretion to reduce the initial sales price in exchange for the extension of low- and moderate-income affordability restrictions beyond the 15-year period contemplated by the attachment of assistance pursuant to subsection (d)(1). If the Secretary and the local government or designated State agency cannot reach agreement within 90 days, the Secretary may offer the project for sale to the general public.

"(4) The Secretary shall prohibit any local government or designated State agency from transferring projects acquired under a right of first refusal under this subsection to a private entity, unless the local government or designated State agency solicits proposals from such entities through a public process. The solicitation of proposals shall be based on prescribed criteria, which shall include the extension of low- and moderate-income affordability restrictions beyond the 15-year period contemplated by the attachment of assistance pursuant to subsection (d)(1).

"(5) Notwithstanding any other provision of law to the contrary, a local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.".

(d) DEFINITION OF SUBSIDIZED PROJECT.—Section 203(i)(2)(E) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(i)(2)(E)) is amended by striking "(other" and all that follows and inserting "(excluding payments made for certificates under subsection (b)(1) or vouchers under subsection (o)), if (except for purposes of paragraphs (1) and (2) of subsection (h) and section 183(c) of the Housing and Community Development Act of 1987) such housing assistance payments are made to more than 50 percent of the units in the project.".

(e) DATE OF ASSIGNMENT.—Section 203(i) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(i)) is amended by adding at the end the following new paragraph:

"(4) For purposes of subsection (a)(1)(C) and subsection (d)—

"(A) the term 'date of assignment' means the date of assignment, without regard to whether such date occurs before, on, or after February 5, 1988; and

"(B) in the case of a multifamily housing project assigned before the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and for which there are no records identifying the number of low- and moderate-income persons occupying units in the project on the date of assignment, the number of low- and moderate-income persons occupying units in the project within 120 days of such date of enactment shall be used instead.".

(f) ANNUAL REPORT ON RIGHT OF FIRST REFUSAL.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11) is amended by adding at the end the following new subsection:

"(k) The Secretary shall annually submit to the Congress a report describing the activities carried out under subsection (e) during the preceding year.".

SEC. 1011. MULTIFAMILY HOUSING CAPITAL IMPROVEMENTS ASSISTANCE.

(a) AMOUNTS AVAILABLE.—Section 201(j)(4) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(j)(4)) is amended—

(1) by striking "may use not more than $50,000,000" and inserting the following: "shall, to the extent of approvable applications and subject to paragraph (1), use not less than $30,000,000 or 40 percent (whichever is less) of the amounts available"; and

(2) by adding at the end the following new sentence: "Any amount reserved under this paragraph for assistance for capital improvements that is not used before the last 60 days of a fiscal year shall become available for other assistance under this section.".

Regulations.
12 USC 1715z-1a note.

(b) IMPLEMENTATION OF PROGRAM.—To implement the amendments made by section 185 of the Housing and Community Development Act of 1987, the Secretary of Housing and Urban Development shall issue regulations that become effective not later than February 5, 1989.

42 USC 1437f note.

SEC. 1012. USE OF FUNDS RECAPTURED FROM REFINANCING STATE FINANCE PROJECTS.

(a) IN GENERAL.—In the case of any State financed project that was provided a financial adjustment factor under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) and is being refinanced, 50 percent of the amounts that are recaptured from the project shall be made available to the State housing finance agency in the State where the project is located for use in providing decent, safe, and sanitary housing affordable to very low-income families or persons.

(b) BUDGET COMPLIANCE.—Subsection (a) shall be effective only to such extent or in such amounts as are provided in appropriation Acts.

SEC. 1013. PUBLIC HOUSING LEASE AND GRIEVANCE PROCEDURES.

The Secretary of Housing and Urban Development shall publish a notice providing that the final rule of the Department of Housing and Urban Development entitled "Public Housing—Tenancy and Administrative Grievance Procedure" and published in the Federal Register of August 30, 1988 (53 Fed. Reg. 33216 et seq.) shall be interim for effect. The Secretary shall afford interested persons an opportunity to comment on the rule in accordance with section 553(c) of title 5, United States Code, and such comment period shall continue for not less than 60 days, or until March 1, 1989, whichever occurs later.

SEC. 1014. EXCEPTIONS TO TENANT PREFERENCE PROVISIONS.

(a) PUBLIC HOUSING.—

(1) IN GENERAL.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) (as amended by section 1001(b) of this Act) is further amended—

(A) by inserting "(i)" after ", but"; and

(B) by inserting before the semicolon at the end the following: "; and (ii) the public housing agency may provide for circumstances in which families who do not qualify for any preference established in this subparagraph are provided assistance before families who do qualify for such preference, except that not more than 10 percent of the families who initially receive assistance in any 1-year period (or such shorter period selected by the public housing agency before the beginning of its first full year subject to this clause) may be families who do not qualify for such preference".

(2) INDIAN HOUSING.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by paragraph (1) shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

42 USC 1437d note.

(b) SECTION 8 ASSISTANCE.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended—

(1) by inserting "(i)" after "except that"; and

(2) by inserting before the semicolon at the end the following: "; and (ii) the public housing agency may provide for circumstances in which families who do not qualify for any preference established in clause (i) are provided assistance before families who do qualify for such preference, except that not more than 10 percent (or such higher percentage determined by the Secretary to be necessary to ensure that public housing agencies can assist families in accordance with subsection (u)(2) or determined by the Secretary to be appropriate for other good cause) of the families who initially receive assistance in any 1-year period (or such shorter period selected by the public housing agency before the beginning of its first full year subject to this clause) may be families who do not qualify for such preference".

(c) HOUSING VOUCHERS.—Section 8(o)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)) is amended by adding at the end the following new sentence: "A public housing agency may provide for circumstances in which families who do not qualify for any preference established in the preceding sentence are provided assistance under this subsection before families who do qualify for

such preference, except that not more than 10 percent (or such higher percentage determined by the Secretary to be necessary to ensure that public housing agencies can assist families in accordance with subsection (u)(2) or determined by the Secretary to be appropriate for other good cause) of the families who initially receive assistance in any 1-year period (or such shorter period selected by the public housing agency before the beginning of its first full year subject to this sentence) may be families who do not qualify for such preference.".

Subtitle B—Preservation of Low Income Housing

SEC. 1021. NOTICE OF INTENT.

Section 222 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended in the last sentence by striking "notice or intent" and inserting "notice of intent".

SEC. 1022. PLAN OF ACTION.

(a) PROVISION OF INFORMATION.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended by inserting before the period at the end of the first sentence the following: ", and any relevant market area and demographic information that the Secretary has custody of and that the owner may use in preparing the plan".

(b) CONTENTS OF PLAN.—Section 223 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended by adding at the end the following new subsection:

"(d) AUTHORITY TO LIMIT CONTENTS OF PLAN.—The Secretary shall limit the amount of appraisal, market area, and demographic information required under this section in the case of a plan of action requesting incentives.".

SEC. 1023. INCENTIVES TO EXTEND LOW INCOME USE.

Section 224(b) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended in the matter preceding paragraph (1) by striking "Such agreements" and inserting the following: "Agreements entered into under subsection (a) that by modifications to the existing regulatory agreement or mortgage extend the low income affordability restrictions through the term of the mortgage or, in the case of the prepayment of a mortgage, by a recorded instrument impose low income affordability restrictions (including the obligations specified in the regulatory agreement) through a period equivalent to the term of the original mortgage".

Contracts.

SEC. 1024. CRITERIA FOR APPROVAL OF PLAN OF ACTION.

Section 225(a)(1) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended—

(1) by inserting after "economic hardship for current tenants" the following: "(and will not in any event result in (A) a monthly rental payment by a current tenant that exceeds 30 percent of the monthly adjusted income of the tenant or an increase in the monthly rental payment in any year that exceeds 10 percent (whichever is lower), or (B) in the case of a current tenant who already pays more than such percentage, an increase in the monthly rental payment in any year that ex-

ceeds the increase in the Consumer Price Index or 10 percent (whichever is lower))"; and

(2) by inserting before the semicolon at the end the following: ", determined without regard to the availability of Federal housing assistance that would address any such hardship or involuntary displacement".

SEC. 1025. MODIFICATION OF EXISTING REGULATORY AGREEMENTS.

(a) CORRECTION OF CROSS-REFERENCE.—Section 228(a)(5) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended by striking "section 225(b)(6)" and inserting "section 225(b)(3)(F)".

(b) CORRECTION OF TYPOGRAPHICAL ERROR.—Section 228(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended by inserting a period at the end.

SEC. 1026. REPORT ON NOTICE TO TENANTS AND INCENTIVES.

Section 232 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended by adding at the end the following new sentence: "The report shall also include a detailed description of (1) the actions taken by the Secretary to ensure meaningful participation by affected tenants; and (2) the incentives developed by the Secretary under section 224 to ensure compliance with this subtitle.".

SEC. 1027. DEFINITION OF ELIGIBLE LOW INCOME HOUSING.

Section 233(1)(A)(iii) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended by inserting "or a State or State agency" after "Secretary".

SEC. 1028. RURAL RENTAL HOUSING DISPLACEMENT PREVENTION.

(a) ASSISTANCE AVAILABLE TO BORROWER.—Section 502(c)(4)(B)(iv) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(B)(iv)) is amended by striking "paragraphs (7) and (8) of section 515(b)" and inserting "paragraphs (1) and (2) of section 515(c)".

(b) SELECTION OF PURCHASERS.—Section 502(c)(5)(B) of the Housing Act of 1949 (42 U.S.C. 1472(c)(5)(B)) is amended by adding at the end the following new clause:

"(iii) SELECTION OF QUALIFIED PURCHASER.—The Secretary shall promulgate regulations that establish criteria for selecting a qualified nonprofit organization or public agency to purchase housing and related facilities when more than 1 such organization or agency has made a bona fide offer. Such regulations shall give a priority to those organizations or agencies with the greatest experience in developing or managing low income housing or community development projects and with the longest record of service to the community.". Regulations.

(c) DEFINITIONS OF NONPROFIT ORGANIZATIONS.—Section 502(c)(5)(I) of the Housing Act of 1949 (42 U.S.C. 1472(c)(5)(I)) is amended to read as follows:

"(I) DEFINITIONS.—For purposes of this paragraph:

"(i) LOCAL NONPROFIT ORGANIZATION.—The term 'local nonprofit organization' means a nonprofit organization that—

"(I) has a broad based board reflecting various interests in the community or trade area; and

"(II) is a not-for-profit charitable organization whose principal purposes include developing or managing low income housing or community development projects.

"(ii) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means any private organization—

"(I) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(II) that is approved by the Secretary as to financial responsibility; and

"(III) that does not have among its officers or directorate persons or parties with a material interest (or persons or parties related to any person or party with such an interest) in loans financed under section 515 that have been prepaid.".

SEC. 1029. SECTION 8 LOAN MANAGEMENT PROGRAM.

(a) REPEAL OF 15-YEAR TERM REQUIREMENT.—Section 8(v) of the United States Housing Act of 1937 (42 U.S.C. 1437f(v)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraph (2) as paragraph (1).

(b) EXECUTION OF NEW CONTRACTS.—Section 8(v)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(v)(1)) (as so redesignated by subsection (a) of this section) is amended by inserting "for project-based loan management assistance" after "new contract".

(c) AVAILABILITY OF ASSISTANCE FOR UNSUBSIDIZED PROJECTS.—Section 8(v) of the United States Housing Act of 1937 (42 U.S.C. 1437f(v)) (as amended by subsection (a) of this section) is further amended by adding at the end the following new paragraph:

"(2)(A) The eligiblity of a multifamily residential project for loan management assistance under this section shall be determined without regard to whether the project is subsidized or unsubsidized.

"(B) In allocating loan management assistance under this section, the Secretary may give a priority to any project only on the basis that the project has serious financial problems that are likely to result in a claim on the insurance fund in the near future or the project is eligible to receive incentives under subtitle B of the Emergency Low Income Housing Preservation Act of 1987.".

Subtitle C—Rural Housing

SEC. 1041. IMPLEMENTATION OF GUARANTEED LOAN DEMONSTRATION.

Regulations.

(a) IN GENERAL.—Section 304(a) of the Housing and Community Development Act of 1987 (42 U.S.C. 1472 note) is amended by adding at the end the following: "To implement this section, the Secretary shall issue regulations that take effect not later than 120 days after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.".

(b) CLARIFICATION.—Section 304 of the Housing and Community Development Act of 1987 (42 U.S.C. 1472 note) is amended by adding at the end the following new subsection:

"(f) RELATION TO OTHER LAW.—Section 502(d), and the second sentence of section 517(e), of the Housing Act of 1949 shall not apply to this section.".

(c) APPLICABILITY.—The amendments made by this section shall apply to fiscal year 1989 and each succeeding fiscal year.

42 USC 1472 note.

SEC. 1042. SECTION 515 RENTS.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by striking subsection (h).

SEC. 1043. AVAILABILITY OF DOMESTIC FARM LABOR HOUSING FOR OTHER FAMILIES.

(a) INSURED LOAN PROGRAM.—Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by adding at the end the following new subsection:

"(i) Housing and related facilities constructed with loans under this section may be used for tenants eligible for occupancy under section 515 if the Secretary determines that—

"(1) there is no longer a need in the area for farm labor housing; or

"(2) the need for such housing in the area has diminished to the extent that the purpose of the loan, providing housing for domestic farm labor, can no longer be met.".

(b) GRANT PROGRAM.—Section 516 of the Housing Act of 1949 (42 U.S.C. 1486) is amended by adding at the end the following new subsection:

"(j) Housing and related facilities constructed with grants under this section may be used for tenants eligible for occupancy under section 515 if the Secretary determines that—

"(1) there is no longer a need in the area for farm labor housing; or

"(2) the need for such housing in the area has diminished to the extent that the purpose of the grant, providing housing for domestic farm labor, can no longer be met.".

SEC. 1044. RURAL RENTAL REHABILITATION DEMONSTRATION.

Section 311(b) of the Housing and Community Development Act of 1987 (42 U.S.C. 1490m note) is amended—

(1) by striking "provided to" and inserting "provided in"; and

(2) by inserting before the period at the end the following: ", including areas located in States where the Secretary administers the rental rehabilitation grant program".

SEC. 1045. LEGAL REPRESENTATION IN LITIGATION INVOLVING COLLECTION OF CLAIMS AND OBLIGATIONS ARISING OUT OF RURAL HOUSING PROGRAMS.

Section 510(d) of the Housing Act of 1949 (42 U.S.C. 1480(d)) is amended by inserting before the semicolon at the end the following: "; except that—

"(1) prosecution and defense of any litigation under section 502 shall be conducted, at the discretion of the Secretary, by—

"(A) the United States attorneys for the districts in which the litigation arises and any other attorney that the Attorney General may designate under law, under the supervision of the Attorney General;

"(B) the General Counsel of the Department of Agriculture; or

"(C) any other attorney with whom the Secretary enters into a contract after a determination by the Secretary that—

Contracts.

"(i) the attorney will provide competent and cost-effective representation for the Farmers Home Administration; and

"(ii) representation by the attorney will either (I) accelerate the process by which a family or person eligible for assistance under section 502 will be able to purchase and occupy the housing involved; or (II) preserve the quality of the housing involved; and

Reports.

"(2) the Secretary shall annually submit to the Congress a report describing activities carried out under paragraph (1)(C), including the cost of entering into contracts with such attorneys and the savings resulting from expedited foreclosure proceedings".

Subtitle D—Mortgage Insurance and Secondary Mortgage Market Programs

SEC. 1061. CHANGE IN DEFINITION OF VETERAN.

Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) is amended to read as if the amendment made by section 405(l) of the Housing and Community Development Act of 1987 (101 Stat. 1899) to section 203(b)(3)(2) of the National Housing Act had been made instead to section 203(b)(2) of the National Housing Act.

SEC. 1062. LIMITATION ON USE OF SINGLE FAMILY MORTGAGE INSURANCE BY INVESTORS.

(a) EXEMPTION FROM OCCUPANCY REQUIREMENT.—Section 203(g)(3) of the National Housing Act (12 U.S.C. 1709(g)(3)) is amended—

(1) by striking "or" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(F) a mortgagor that, pursuant to section 223(a)(7), is refinancing an existing mortgage insured under this Act for not more than the outstanding balance of the existing mortgage, if the amount of the monthly payment due under the refinancing mortgage is less than the amount due under the existing mortgage for the month in which the refinancing mortgage is executed.".

(b) CORRECTION OF CONFORMING AMENDMENT.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended to read as if the amendment made by section 406(b)(1)(B) of the Housing and Community Development Act of 1987 (101 Stat. 1900) had deleted instead the following: "to be occupied as the principal residence of the owner".

SEC. 1063. PROCEDURES APPLICABLE TO ASSUMPTION OF INSURED MORTGAGES.

(a) CREDIT REVIEWS.—Section 203(r)(2) of the National Housing Act (12 U.S.C. 1709(r)(2)) is amended by striking "date on which the mortgage is endorsed for insurance" each place it appears and inserting "date on which the mortgage is executed".

(b) EFFECTIVE DATE.—Section 407(a)(2) of the Housing and Community Development Act of 1987 is amended to read as follows:

12 USC 1709 note.

"(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to each mortgage originated pursuant to an application for commitment for insurance signed by the applicant on or after December 1, 1986.".

SEC. 1064. PAYMENT OF CLAIMS ON LOSSES FROM PREFORECLOSURE SALES.

(a) IN GENERAL.—The second sentence of section 204(a) of the National Housing Act (12 U.S.C. 1710(a)) is amended—

(1) by inserting "(A)" after "(1)"; and

(2) by striking ", and (2)" and inserting the following: ", or (B) upon the sale of the insured property by the mortgagor after default, if (i) the sale has been approved by the Secretary, (ii) the mortgagee receives an amount at least equal to the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and (iii) the mortgagor has received appropriate homeownership counseling, as determined by the Secretary; and (2)".

(b) CONFORMING AMENDMENTS.—

(1) APPLICABILITY.—Section 204(a) of the National Housing Act (12 U.S.C. 1710(a)) is amended in the third sentence by striking "the effective date of this sentence" and inserting the following: "November 30, 1983 (on or after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, with respect to the payment of benefits under clause (1)(B) of the preceding sentence),".

(2) CROSS-REFERENCES.—

(A) Section 204(a) of the National Housing Act (12 U.S.C. 1710(a)) is amended immediately before the first proviso in the fifth sentence by striking "foreclosure".

(B) Section 204(j) of the National Housing Act (12 U.S.C. 1710(j)) is amended by inserting "clause (1)(A) of" before "the second sentence".

(c) REGULATIONS.—In developing regulations to carry out the amendments made by this section, the Secretary of Housing and Urban Development may delegate to mortgagees the authority to make determinations on behalf of the Secretary, and the Secretary shall rely on certifications and post audit reviews to the greatest extent possible.

12 USC 1710 note.

SEC. 1065. MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS.

Section 247 of the National Housing Act (12 U.S.C. 1715z-12), as similarly amended first by the Department of Housing and Urban Development-Independent Agencies Act, 1988 (101 Stat. 1329-191) and later by subsections (a) and (b) of section 413 of the Housing and Community Development Act of 1987 (101 Stat. 1906), is amended to read as if the later amendment had not been enacted.

SEC. 1066. HOME EQUITY CONVERSION MORTGAGE INSURANCE DEMONSTRATION.

(a) DEFINITIONS.—Section 255(b)(3) of the National Housing Act (12 U.S.C. 1715z-20(b)(3)) is amended by inserting "Depository" before "Institutions".

(b) ELIGIBILITY REQUIREMENTS.—Section 255(d)(3) of the National Housing Act (12 U.S.C. 1715z-20(d)(3)) is amended by striking "and that" and all that follows through "residence".

SEC. 1067. RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES.

Section 535 of the Housing Act of 1949 (42 U.S.C. 1490o) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsections:

"(b) For purposes of complying with subsection (a), the Secretary of Housing and Urban Development shall consider the issuance by the Administrator of Veterans' Affairs of a certificate of reasonable value for 1 or more properties in a subdivision to be an administrative approval for the entire subdivision. This subsection shall not apply after the expiration of the 1-year period beginning on the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.

Termination date.

"(c) Before the expiration of the period referred to in subsection (b), the Secretary of Housing and Urban Development shall report to the Congress on housing subdivision approval policies and practices, if any, of the Departments of Housing and Urban Development and Agriculture and the Veterans' Administration. The report shall focus on the administration of environmental laws in connection with any such policies and practices, and shall recommend any statutory, regulatory, and administrative changes needed to achieve total reciprocity for such housing subdivision approvals. The Secretary of Housing and Urban Development shall consult with the foregoing agencies, and such other agencies as the Secretary selects, in preparing the report.".

Reports.

SEC. 1068. PERMANENT AUTHORITY TO PURCHASE SECOND MORTGAGES ON MULTIFAMILY PROPERTIES.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 302(b)(5)(A)(ii) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(5)(A)(ii)) is amended by striking "until October 1, 1985,".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 305(a)(4)(A)(ii) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(4)(A)(ii)) is amended by striking "until October 1, 1985,".

Subtitle E—Community Development and Miscellaneous Programs

SEC. 1081. CITY AND COUNTY CLASSIFICATIONS.

(a) METROPOLITAN CITY.—

(1) RETENTION OF CLASSIFICATION.—Section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) is amended in the second sentence—

(A) by striking "the population data of the 1980 decennial census" and inserting "a decrease in population"; and

(B) by inserting "or any subsequent fiscal year" after "1983".

(2) DEFERRAL OF CLASSIFICATION.—Section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)), as similarly amended first by the Department of Housing and Urban Development-Independent Agencies Act, 1988 (101 Stat. 1329-193) and later by section 503(a)(2) of the

Housing and Community Development Act of 1987 (101 Stat. 1923), is amended to read as if the later amendment had not been enacted.

(b) URBAN COUNTY.—Section 102(a)(6)(A) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)(A)) is amended by striking the last comma in clauses (i) and (ii)(I) and inserting a semicolon.

SEC. 1082. CORRECTIONS TO CROSS-REFERENCES.

(a) DEFINITIONS.—

(1) INCLUSION OF POPULATION IN URBAN COUNTY.—Section 102(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(d)) is amended by striking "subsection (a)(6)(B)" and inserting "subparagraph (A)(ii) or (D) of subsection (a)(6)".

(2) EXCLUSION OF POPULATION FROM URBAN COUNTY.—The first sentence of section 102(e) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(e)) is amended by striking "subsection (a)(6)(B)(i)" and inserting "subsection (a)(6)(A)(ii)(I)(a)".

(b) REALLOCATION OF AMOUNTS.—Section 106(c)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(c)(1)) is amended—

(1) in the first sentence, by striking "section 104 (a), (b), or (c)" and inserting "subsection (a), (b), (c), or (d) of section 104";

(2) in the first sentence by striking "section 104(d)" and inserting "section 104(e)"; and

(3) in subparagraph (B), by striking "section 104(d)" and inserting "section 104(e)".

(c) ALLOCATIONS TO STATES.—Section 106(d)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)(3)) is amended—

(1) in subparagraph (C), by striking "subsection (a) or (b)" and inserting "subsection (a), (b), or (d)"; and

(2) in subparagraphs (C) and (D), by striking "section 104(d)" each place it appears and inserting "section 104(e)".

SEC. 1083. CONSERVING NEIGHBORHOODS AND HOUSING BY PROHIBITING DISPLACEMENT.

State and local governments.

42 USC 5304.

(a) CERTIFICATIONS.—The third sentence of section 104(d)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 4304(d)(1)) is amended to read as follows: "A unit of general local government receiving amounts from a State under section 106(d) shall so certify to the State, and a unit of general local government receiving amounts from the Secretary under section 106(d) shall so certify to the Secretary.".

(b) PLAN REQUIREMENTS.—Section 104(d)(2)(A)(iii)(II) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)(2)(A)(iii)(II)) is amended by adding "and" at the end.

SEC. 1084. URBAN DEVELOPMENT ACTION GRANTS.

(a) USE OF REPAID GRANT FUNDS.—Section 119(f) of the Housing and Community Development Act of 1974 (42 U.S.C. 5318(f)) is amended in the penultimate sentence by striking "section 104" and inserting "section 105".

(b) CONSIDERATION OF CERTAIN COUNTIES AS CITIES.—Section 119(n)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5318(n)(1)), as similarly amended first by the provisions

made effective by section 101(g) of Public Law 99-500 and Public Law 99-591 (100 Stat. 1783-242 and 3341-242) and later by section 515(i) of the Housing and Community Development Act of 1987 (101 Stat. 1934), is amended to read as if the later amendment had not been enacted.

SEC. 1085. NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 604(a)(6) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8103(a)(6)) is amended by striking the second of the two periods at the end.

SEC. 1086. NATIONAL FLOOD INSURANCE PROGRAM.

(a) CORRECTION OF TYPOGRAPHICAL ERROR.—Section 1306(c)(1)(A) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(1)(A)) is amended by striking "Following" each place it appears in clauses (i) and (ii) and inserting "following".

(b) CORRECTION OF CROSS-REFERENCE.—Subsections (b) and (c) of section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121) are each amended by striking "paragraph (1)" and inserting "subsection (a)(1)".

(c) SACRAMENTO, CALIFORNIA.—

(1) FINDINGS.—The Congress finds that—

(A) the Sacramento, California, area has had in place a flood control system that has been classified as protecting against floods with recurrence intervals of up to 125 years;

(B) local governmental entities in the Sacramento metropolitan area have been working diligently with the State of California, the Army Corps of Engineers, and the Bureau of Reclamation since the occurrence of a heavy storm in 1986 to formulate and implement a comprehensive plan to provide high level, efficient flood protection to the region;

(C) the Federal Emergency Management Agency, in response to studies by the Army Corps of Engineers indicating increased flood vulnerability attributable to increased estimates of the frequency of large storms in the region, has begun a process of re-analyzing the flood risks in the Sacramento area, and this analysis is likely to result in substantially increased flood elevation requirements under the National Flood Insurance Program;

(D) changed flood elevation requirements attributable to a change in flood elevation determinations by the Director of the Federal Emergency Management Agency will cause severe disruption in the Sacramento region and could precipitate the break-up of the political, institutional, and economic relationships sustaining the high level, comprehensive, flood protection effort;

(E) failure to implement a comprehensive plan would leave substantial portions of the Sacramento area without necessary flood protection, and, further, could impose on the Federal Government various, substantial costs related to emergency responses and damage claims in the event of a major flood;

(F) the Federal purposes embodied in the National Flood Insurance Program to minimize development in flood plains, to minimize damages caused by floods, and to reduce requirements for costly flood protection projects remain valid for the Sacramento metropolitan area, and impose

upon its local governmental jurisdictions an obligation to exercise their authorities to avoid undue exposure to the dangers of floods and to voluntarily comply to the maximum extent practicable, consistent with other purposes of this subsection, with the National Flood Insurance Program standards that are anticipated to be applicable to the Sacramento area following expiration of the period set by paragraph (2);

(G) the City and County of Sacramento have each provided assurances to the Congress that they will not designate any increases in urbanization beyond lands already so designated in their general plans during the period set forth in paragraph (2), and, in addition, that in the exercise of their discretion to approve new development they will give careful consideration to—

(i) an evacuation-emergency response plan;

(ii) mechanisms by which to attempt to provide notice to all buyers of new structures;

(iii) retention of natural floodways; and

(iv) recommendations to all buyers of new structures to purchase flood insurance;

(H) the City and County of Sacramento, in their discretion, reserve the authority to impose elevation or other requirements for new construction based upon best available flood data if facts indicate the necessity of doing so; and

(I) maintenance of the Federal flood elevation requirements now in effect for the Sacramento area for the limited period set forth in paragraph (2) will facilitate implementation of the high level, comprehensive plan for flood protection in the Sacramento area, and is therefore in the interest of Sacramento, the public safety, and the United States.

Rivers and harbors.

(2) FLOOD ELEVATIONS.—Prior to the expiration of 2 years after the date on which the Secretary of the Army submits to the Congress the report on the feasibility study on Northern California Streams, American River Watershed, but not later than 4 years after the date of the enactment of this Act, the provisions of the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 shall apply on the basis of flood map elevation determinations made by the Director of the Federal Emergency Management Agency in effect as of the date of the enactment of this Act to the following areas:

(A) the floodplain areas within Sutter and Sacramento Counties, California (collectively known as the "Natomas area"), which are bounded by the Sacramento River, the American River, the Natomas Cross Canal, and the floodplain of the Natomas East Main Drainage Canal;

(B) the floodplains within Sacramento County of Dry Creek, Arcade Creek, and Morrison Creek, to the extent these creeks are affected by the American and Sacramento Rivers, the American River, and the Sacramento River upstream of the City of Freeport, California; and

(C) the City of West Sacramento in Yolo County, California.

President of U.S.

(3) BUDGET SUBMISSION.—The President, in submitting his budget for fiscal year 1990, shall include a schedule for completing the study referred to in paragraph (2) as expeditiously as

practicable and an estimate of the resources required to meet such schedule.

(d) PLANADA, CALIFORNIA.—The Director of the Federal Emergency Management Agency shall prepare, or cause to be prepared, a hydrological study of Miles Creek, California, to use as the basis for the establishment of revised base flood elevations in and near the community of Planada, California. Until such time as the revised base flood elevations are established, the flood insurance rate map (Community Panel No. 0601880315A) in effect on September 1, 1988, for the area in and near such community shall remain in effect.

SEC. 1087. HOME MORTGAGE DISCLOSURE.

(a) APPLICABILITY OF 1987 AMENDMENTS.—Section 565(a)(4) of the Housing and Community Development Act of 1987 (12 U.S.C. 2802 note) is amended by striking "calendar years beginning after December 31, 1986" and inserting "the portion of calendar year 1988 that begins August 19, 1988, and to each calendar year beginning after December 31, 1988".

(b) CORRECTION OF TYPOGRAPHICAL ERROR.—Paragraphs (1) and (2) of section 306(b) of the Home Mortgage Disclosure Act (12 U.S.C. 2805) are each amended by striking "Section" and inserting "section".

(c) CORRECTION OF REFERENCES TO COMMITTEES.—Section 307(b) of the Home Mortgage Disclosure Act (12 U.S.C. 2806) is amended—

(1) by striking "Committee on Banking, Currency and Housing" and inserting "Committee on Banking, Finance and Urban Affairs"; and

(2) by inserting a comma after "Housing".

Safety.

SEC. 1088. LEAD-BASED PAINT POISONING PREVENTION.

(a) INSPECTION.—Section 302(d)(1) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822(d)(1)) is amended—

(1) by striking the paragraph caption and inserting the following: "TRANSITIONAL TESTING AND ABATEMENT IN PUBLIC HOUSING RECEIVING CIAP ASSISTANCE.—";

(2) by striking "section 9" in the first sentence and inserting "section 14";

(3) by striking subparagraphs (A), (B), and (C) in the first sentence and inserting the following:

"(A) a random sample of dwellings and common areas in all public housing projects assisted under such section; and

"(B) each dwelling in any public housing project in which there is a dwelling determined under subparagraph (A) to have lead-based paint hazards, except that the Secretary shall not require the inspection of each dwelling if the Secretary requires the abatement of the lead-based paint hazards for the surfaces of each dwelling in the public housing project that correspond to the surfaces in the sample determined to have such hazards under subparagraph (A).";

(4) by striking the second and third sentences and inserting the following: "The Secretary shall require the inspection of all housing subject to this paragraph in accordance with the modernization schedule. A public housing agency may elect to test for lead-based paint using atomic absorption spectroscopy and may elect to abate lead-based paint and dust containing lead under standards more stringent than that in subsection (c),

including the abatement of lead-based paint and dust which exceeds the standard of lead permitted in paints by the Consumer Product Safety Commission under this Act, and such abatement shall qualify for assistance under section 14 of the United States Housing Act of 1937."; and

(5) by inserting before the period at the end of the last sentence the following: ", industrial hygienist, or local public health official".

(b) ABATEMENT DEMONSTRATION.—Section 302(d)(2) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822(d)(2)) is amended—

(1) by striking the paragraph caption and inserting the following: "ABATEMENT DEMONSTRATION PROGRAM.—";

(2) in subparagraph (A)—

(A) by inserting after "Urban Development" the following: "and public housing"; and

(B) by adding at the end the following new sentence: "For purposes of the demonstration, a public housing agency may elect to test for lead-based paint using atomic absorption spectroscopy and may elect to abate lead-based paint and dust containing lead under standards more stringent than that in subsection (c), including the abatement of lead-based paint and dust which exceeds the standard of lead permitted in paints by the Consumer Product Safety Commission under this Act, and such abatement shall qualify for assistance under section 14 of the United States Housing Act of 1937."; and

(3) in subparagraph (B), by inserting after the first sentence the following new sentence: "Based on the demonstration, the Secretary shall prepare and include in the report a comprehensive and workable plan for the cost-effective inspection and abatement of public housing in accordance with paragraph (3), including an estimate of the total cost of abatement in accordance with paragraph (3)(B).".

(c) REPORTS.—Section 302(d)(2)(B) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822(d)(2)(B)) is amended—

(1) in clause (i), by inserting ", including X-ray fluorescence and atomic absorption spectroscopy" before the semicolon;

(2) in clause (ii), by inserting ", including removal, containment, or encapsulation of the contaminated components, procedures which minimize the generation of dust (including the high efficiency vacuum removal of leaded dust), and procedures that provide for offsite disposal of the removed components, in compliance with all applicable regulatory standards and procedures" before the semicolon;

(3) in clause (iii), by inserting ", abatement, and worker protection" before the semicolon;

(4) by striking "and" at the end of clause (v);

(5) by striking the period at the end of clause (vi) and inserting "; and "; and

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

"(vii) the merits of an interim containment protocol for public housing dwellings that are determined to have lead-based paint hazards but for which comprehensive improvement assistance under section 14 of the United States Housing Act of 1937 is not available.".

(d) PUBLIC HOUSING INSPECTION.—Section 302(d) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822(d)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

"(3) TESTING AND ABATEMENT OF OTHER PUBLIC HOUSING.—

"(A) REQUIRED INSPECTION.—The Secretary shall require the inspection described in subsection (c) for—

"(i) a random sample of dwellings and common areas in all public housing that is not subject to paragraph (1); and

"(ii) each dwelling in any public housing project in which there is a dwelling determined under clause (i) to have lead-based paint hazards, except that the Secretary shall not require the inspection of each dwelling if the Secretary requires the abatement of the lead-based paint hazards for the surfaces of each dwelling in the public housing project that correspond to the surfaces in the sample determined to have such hazards under clause (i).

"(B) SCHEDULE.—The Secretary shall require the inspection of all housing subject to this paragraph prior to the expiration of 5 years after the report is required to be transmitted under paragraph (2)(B). The Secretary may prioritize, within such 5-year period, inspections on the basis of vacancy, age of housing, or projected modernization or rehabilitation. The Secretary shall require abatement and final inspection and certification of such housing in accordance with the last two sentences of paragraph (1).".

(e) FUNDING.—Section 302(f) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822(f)) is amended by adding at the end the following new sentence: "The Secretary shall submit annually to the Congress an estimate of the funds required to carry out the provisions of this section with the reports required by paragraphs (2)(B) and (4).".

(f) DETECTION TECHNIQUE.—Section 302(c) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822(c)) is amended—

(1) in the first sentence, by inserting after "fluorescence analyzer" the following: ", atomic absorption spectroscopy,"; and

(2) in the second sentence, by inserting after "A qualified inspector" the following: "or laboratory".

42 USC 4822 note.

(g) CONSULTATION.—Section 566(b) of the Housing and Community Development Act of 1987 is amended—

(1) in the caption, by inserting "AND CONSULTATION" after "REGULATIONS"; and

(2) in paragraph (3)—

(A) by striking "under this subsection" and inserting "and in preparing reports under this section"; and

(B) in subparagraph (A), by inserting after "Building Sciences" the following: ", the Environmental Protection Agency, the National Institute of Environmental Health Sciences, the Centers for Disease Control, the Consumer Product Safety Commission, major public housing organizations, other major housing organizations,".

(h) INTERPRETATION OF SECTION.—Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822) is amended by adding at the end the following new subsection:

"(g) INTERPRETATION OF SECTION.—This section may not be construed to affect the responsibilities of the Environmental Protection Agency with respect to the protection of the public health from hazards posed by lead-based paint.".

SEC. 1089. INTERSTATE LAND SALES FULL DISCLOSURE.

(a) CORRECTION OF TYPOGRAPHICAL ERROR.—Section 1402(10) the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701(10)) is amended by inserting "and" after the semicolon.

(b) CORRECTION OF NUMBERING.—Section 1420 the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1719), is amended by striking "(a)" after the section designation.

SEC. 1090. DESIGNATION OF ENTERPRISE ZONES.

(a) CRITERIA FOR RANKING NOMINATED AREAS.—The first sentence of section 701(a)(3)(A) of the Housing and Community Development Act of 1987 (42 U.S.C. 11501(a)(3)(A)) is amended to read as follows: "Except as provided in subparagraph (B), the Secretary shall designate (i) the nominated areas with the highest average ranking with respect to the criteria set forth in subparagraphs (C) and (D) of subsection (c)(3), and the 1 criterion set forth in subparagraph (E)(i) or (E)(ii) of subsection (c)(3) that gives an area a higher ranking; and (ii) for areas described in paragraph (2)(B), the nominated areas with the highest ranking with respect to the 1 criterion set forth in subparagraph (C), (D), (E)(i), or (E)(ii) of subsection (c)(3) that gives an area a higher ranking.".

(b) CORRECTION OF CROSS-REFERENCE.—Section 701(a)(2)(B) of the Housing and Community Development Act of 1987 (42 U.S.C. 11501(a)(2)(B)) is amended by striking "under clause (i)" and inserting "under subparagraph (A)".

(c) REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall revise the regulations issued by the Secretary to carry out title VII of the Housing and Community Development Act of 1987 (42 U.S.C. 11501 et seq.) by issuing a final regulation, effective upon the date of publication, that carries out the amendments made by this section. 42 USC 11501 note.

SEC. 1091. REPORT ON RECOMMENDED POLICY FOR DEALING WITH RADON IN ASSISTED HOUSING. Safety. 15 USC 2661 note.

(a) PURPOSES.—The purposes of this section are—

(1) to require the Department of Housing and Urban Development to develop an effective departmental policy for dealing with radon contamination that utilizes any Environmental Protection Agency guidelines and standards to ensure that occupants of housing covered by this section are not exposed to hazardous levels of radon; and

(2) to require the Department of Housing and Urban Development to assist the Environmental Protection Agency in reducing radon contamination.

(b) PROGRAM.—

(1) APPLICABILITY.—The housing covered by this section is—

(A) multifamily housing owned by the Department of Housing and Urban Development;

(B) public housing and Indian housing assisted under the United States Housing Act of 1937;

(C) housing receiving project-based assistance under section 8 of the United States Housing Act of 1937;

(D) housing assisted under section 236 of the National Housing Act; and

(E) housing assisted under section 221(d)(3) of the National Housing Act.

(2) IN GENERAL.—The Secretary of Housing and Urban Development shall develop and recommend to the Congress a policy for dealing with radon contamination that specifies programs for education, research, testing, and mitigation of radon hazards in housing covered by this section.

(3) STANDARDS.—In developing the policy, the Secretary shall utilize any guidelines, information, or standards established by the Environmental Protection Agency for—

(A) testing residential and nonresidential structures for radon;

(B) identifying elevated radon levels;

(C) identifying when remedial actions should be taken; and

(D) identifying geographical areas that are likely to have elevated levels of radon.

State and local governments. Business and industry. Health care facilities. Health care professionals.

(4) COORDINATION.—In developing the policy, the Secretary shall coordinate the efforts of the Department of Housing and Urban Development with the Environmental Protection Agency, and other appropriate Federal agencies, and shall consult with State and local governments, the housing industry, consumer groups, health organizations, appropriate professional organizations, and other appropriate experts.

(5) REPORT.—The Secretary shall submit a report to the Congress within 1 year after the date of the enactment of this Act that describes the Secretary's recommended policy for dealing with radon contamination and the Secretary's reasons for recommending such policy. The report shall include an estimate of the housing covered by this section that is likely to have hazardous levels of radon.

(c) COOPERATION WITH ENVIRONMENTAL PROTECTION AGENCY.—Within 6 months after the date of the enactment of this Act, the Secretary and the Administrator of the Environmental Protection Agency shall enter into a memorandum of understanding describing the Secretary's plan to assist the Administrator in carrying out the Environmental Protection Agency's authority to assess the extent of radon contamination in the United States and assist in the development of measures to avoid and reduce radon contamination.

(d) DEFINITIONS.—For purposes of this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(e) AUTHORIZATION.—Funds available for housing covered by this section shall be available to carry out this section with respect to such housing.

Approved November 7, 1988.

LEGISLATIVE HISTORY—H.R. 4352 (S. 2554):

HOUSE REPORTS: No. 100-718, Pt. 1 (Comm. on Energy and Commerce), Pt. 2 (Comm. on Banking, Finance and Urban Affairs), and Pt. 3 (Comm. on Ways and Means); and No. 100-1089 (Comm. of Conference).

SENATE REPORTS: No. 100-393 accompaninng S. 2554 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 134 (1988):
Aug. 3, considered and passed House.
Sept. 28, considered and passed Senate, amended.
Oct. 19, House agreed to conference report.
Oct. 20, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 24 (1988):
Nov. 7, Presidential statement.