

Homeless Assistance Reauthorization

National Policy Update June 2009

Highlights of the HEARTH Act

On May 20, 2009, President Obama signed into law a bill to reauthorize HUD's McKinney-Vento Homeless Assistance programs. The bill was included as part of the Helping Families Save Their Homes Act. The McKinney-Vento reauthorization provisions are identical to those included in two bills introduced earlier in 2009, both known as the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The Senate bill (S. 808) was introduced by Senators Jack Reed (D-RI), Kit Bond (R-MO), and 11 other Senators. The House bill (H.R. 1877) was introduced by Representatives Gwen Moore (D-WI), Judy Biggert (R-IL), and 5 other House Members.

HEARTH Act Highlights

- **Increased Prevention** – The HEARTH Act will provide much greater resources to communities for prevention and re-housing targeted to those who are at risk of homelessness, including people who have extremely low incomes and are doubled up, living in a hotel, or have a precarious housing situation. The bill will change the current Emergency Shelter Grants Program to the Emergency Solutions Grants (ESG) Program, and almost double the amount for ESG to 20 percent of the total for homeless assistance. The new ESG program served as a model for the Homelessness Prevention Fund included in the American Recovery and Reinvestment Act.
- **Family Rapid Re-housing Incentive** – The Act requires that HUD provide incentives for rapid re-housing programs for homeless families. Rapid re-housing programs have been successfully used in numerous communities to significantly reduce family homelessness. By dramatically reducing the length of time that families are homeless, rapid re-housing programs ensure a quicker return to stability and self-sufficiency.
- **Continued Attention to Chronic Homelessness** – The HEARTH Act continues HUD's existing initiative to house people who experience chronic homelessness. However, it adds families with children to the initiative.
- **Permanent Housing Solutions** – The HEARTH Act designates 30 percent of total funds for new permanent housing for families and individuals with a disability. It also requires that 10 percent of funds be used for permanent housing activities for families with children.
- **Definition of Homelessness** – The HEARTH Act will change HUD's definition of homelessness to include people at imminent risk of losing their housing and families or youth who live in precarious situations and are unlikely to become stable. Communities will be able to use up to 10 percent of their resources to serve people who meet the definitions of homelessness used by other federal agencies. Communities with low rates of homelessness will be able to use more than 10 percent.

- **Consolidate HUD's Competitive Grant Programs** – The HEARTH Act consolidates the Supportive Housing Program, Shelter Plus Care, and the Moderate Rehabilitation/Single Room Occupancy Program into a single Continuum of Care program. This consolidation will allow communities to apply to one program rather than three, reducing the administrative burden and increasing flexibility and local decision-making.
- **Improving Homeless Assistance in Rural Communities** – The HEARTH Act creates the Rural Housing Stability Assistance Program. This program will grant rural communities greater flexibility in utilizing Homeless Assistance Grants, allowing rural areas more flexibility to identify and address the needs of homeless people or those in the worst housing situations in their communities. Rural communities will also be allowed to use more funding for capacity building.
- **Performance-Based Focus** – The HEARTH Act increases the emphasis on performance by measuring applicants' progress at reducing homelessness and providing incentives for proven solutions like rapid re-housing for families and permanent supportive housing for chronically homeless people. The Act also allows communities with low levels of homelessness or that are reducing homelessness to focus more on prevention and serving people who are at risk of homelessness.
- **Simplified Match Requirement** – The HEARTH Act requires that communities provide a 25 percent match, instead of the varying levels of matching funds required by existing statute. It will, however, ensure that activities that had a lower match prior to enactment would continue to have that match requirement.
- **Funding** – The HEARTH Act authorizes a funding level of \$2.2 Billion.