

SUBCHAPTER II-B—HOME RULE FLEXIBLE
GRANT DEMONSTRATION

§ 1437bbb. Purpose

The purpose of this subchapter is to demonstrate the effectiveness of authorizing local governments and municipalities, in coordination with the public housing agencies for such jurisdictions—

- (1) to receive and combine program allocations of covered housing assistance; and
- (2) to design creative approaches for providing and administering Federal housing assistance based on the particular needs of the jurisdictions that—
 - (A) provide incentives to low-income families with children whose head of the household is employed, seeking employment, or preparing for employment by participating in a job training or educational program, or any program that otherwise assists individuals in obtaining employment and attaining economic self-sufficiency;
 - (B) reduce costs of Federal housing assistance and achieve greater cost-effectiveness in Federal housing assistance expenditures;
 - (C) increase the stock of affordable housing and housing choices for low-income families;
 - (D) increase homeownership among low-income families;
 - (E) reduce geographic concentration of assisted families;
 - (F) reduce homelessness through providing permanent housing solutions;
 - (G) improve program management; and
 - (H) achieve such other purposes with respect to low-income families, as determined by the participating local governments and municipalities in coordination with the public housing agencies;¹

(Sept. 1, 1937, ch. 896, title IV, § 401, as added Pub. L. 105-276, title V, § 561, Oct. 21, 1998, 112 Stat. 2616.)

EFFECTIVE DATE

Act Sept. 1, 1937, ch. 896, title IV, § 411, as added by Pub. L. 105-276, title V, § 561, Oct. 21, 1998, 112 Stat. 2624, provided that: "This title [enacting this subchapter] shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998 [Oct. 21, 1998]."

§ 1437bbb-1. Flexible grant program

(a) Authority and use

The Secretary shall carry out a demonstration program in accordance with the purposes under section 1437bbb of this title and the provisions of this subchapter. A jurisdiction approved by the Secretary for participation in the program may receive and combine and enter into performance-based contracts for the use of amounts of covered housing assistance, in the manner determined appropriate by the participating jurisdiction, during the period of the jurisdiction's participation—

- (1) to provide housing assistance and services for low-income families in a manner that

facilitates the transition of such families to work;

- (2) to reduce homelessness through providing permanent housing solutions;
- (3) to increase homeownership among low-income families; or
- (4) for other housing purposes for low-income families determined by the participating jurisdiction.

(b) Period of participation

A jurisdiction may participate in the demonstration program under this subchapter for a period consisting of not less than 1 nor more than 5 fiscal years.

(c) Participating jurisdictions

(1) In general

Subject to paragraph (2), during the 4-year period consisting of fiscal years 1999 through 2002, the Secretary may approve for participation in the program under this subchapter not more than an aggregate of 100 jurisdictions over the entire term of the demonstration program. A jurisdiction that was approved for participation in the demonstration program under this subchapter in a fiscal year and that is continuing such participation in any subsequent fiscal year shall count as a single jurisdiction for purposes of the numerical limitation under this paragraph.

(2) Exclusion of high performing agencies

Notwithstanding any other provision of this subchapter other than paragraph (4) of this subsection, the Secretary may approve for participation in the demonstration program under this subchapter only jurisdictions served by public housing agencies that—

- (A) are not designated as high-performing agencies, pursuant to their most recent scores under the public housing management assessment program under section 1437d(j)(2) of this title (or any successor assessment program for public housing agencies), as of the time of approval; and
- (B) have a most recent score under the public housing management assessment program under section 1437d(j)(2) of this title (or any successor assessment program for public housing agencies), as of the time of approval, that is among the lowest 40 percent of the scores of all agencies.

(3) Limitation on troubled and non-troubled PHAs

Of the jurisdictions approved by the Secretary for participation in the demonstration program under this subchapter—

- (A) not more than 55 may be jurisdictions served by a public housing agency that, at the time of approval, is designated as a troubled agency under the public housing management assessment program under section 1437d(j)(2) of this title (or any successor assessment program for public housing agencies); and
- (B) not more than 45 may be jurisdictions served by a public housing agency that, at the time of approval, is not designated as a troubled agency under the public housing management assessment program under sec-

¹ So in original. The semicolon probably should be a period.

tion 1437d(j)(2) of this title (or any successor assessment program for public housing agencies).

(4) Exception

If the City of Indianapolis, Indiana submits an application for participation in the program under this subchapter and, upon review of the application under section 1437bbb-5(b) of this title, the Secretary determines that such application is approvable under this subchapter, the Secretary shall approve such application, notwithstanding the second sentence of section 1437bbb-5(b)(2) of this title. Such City shall count for purposes of the numerical limitations on jurisdictions under paragraphs (1) and (3) of this subsection, but the provisions of paragraph (2) of this subsection (relating to exclusion of high-performing agencies) shall not apply to such City.

(Sept. 1, 1937, ch. 896, title IV, §402, as added Pub. L. 105-276, title V, §561, Oct. 21, 1998, 112 Stat. 2617.)

§ 1437bbb-2. Program allocation and covered housing assistance

(a) Program allocation

In each fiscal year, the amount made available to each participating jurisdiction under the demonstration program under this subchapter shall be equal to the sum of the amounts of covered housing assistance that would otherwise be made available under the provisions of this chapter to the public housing agency for the jurisdiction.

(b) Covered housing assistance

For purposes of this subchapter, the term “covered housing assistance” means—

- (1) operating assistance under section 1437g of this title (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);
- (2) modernization assistance under section 1437l of this title (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);
- (3) assistance for the certificate and voucher programs under section 1437f of this title (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);
- (4) assistance from the Operating Fund under section 1437g(e) of this title;
- (5) assistance from the Capital Fund under section 1437g(d) of this title; and
- (6) tenant-based assistance under section 1437f of this title (as amended by the Quality Housing and Work Responsibility Act of 1998).

(Sept. 1, 1937, ch. 896, title IV, §403, as added Pub. L. 105-276, title V, §561, Oct. 21, 1998, 112 Stat. 2618.)

REFERENCES IN TEXT

The Quality Housing and Work Responsibility Act of 1998, referred to in subsec. (b), is title V of Pub. L. 105-276, Oct. 21, 1998, 112 Stat. 2518. Section 503(a) of the Act is set out as an Effective Date of 1998 Amendment note under section 1437 of this title. For complete classification of this Act to the Code, see Tables.

Section 1437l of this title, referred to in subsec. (b)(2), was repealed by Pub. L. 105-276, title V, §522(a), Oct. 21, 1998, 112 Stat. 2564.

§ 1437bbb-3. Applicability of requirements under programs for covered housing assistance

(a) In general

In each fiscal year of the demonstration program under this subchapter, amounts made available to a participating jurisdiction under the demonstration program shall be subject to the same terms and conditions as such amounts would be subject to if made available under the provisions of this chapter pursuant to which covered housing assistance is otherwise made available under this chapter to the public housing agency for the jurisdiction, except that—

(1) the Secretary may waive any such term or condition identified by the jurisdiction to the extent that the Secretary determines such action to be appropriate to carry out the purposes of the demonstration program under this subchapter; and

(2) the participating jurisdiction may combine the amounts made available and use the amounts for any activity eligible under the programs under sections 1437f and 1437g of this title.

(b) Number of families assisted

In carrying out the demonstration program under this subchapter, each participating jurisdiction shall assist substantially the same total number of eligible low-income families as would have otherwise been served by the public housing agency for the jurisdiction had the jurisdiction not participated in the demonstration program under this subchapter.

(c) Protection of recipients

This subchapter may not be construed to authorize the termination of assistance to any recipient receiving assistance under this chapter before October 21, 1998, as a result of the implementation of the demonstration program under this subchapter.

(d) Effect on ability to compete for other programs

This subchapter may not be construed to affect the ability of any applying or participating jurisdiction (or a public housing agency for any such jurisdiction) to compete or otherwise apply for or receive assistance under any other housing assistance program administered by the Secretary.

(Sept. 1, 1937, ch. 896, title IV, §404, as added Pub. L. 105-276, title V, §561, Oct. 21, 1998, 112 Stat. 2619.)

§ 1437bbb-4. Program requirements

(a) Applicability of certain provisions

Notwithstanding section 1437bbb-3(a)(1) of this title, the Secretary may not waive, with respect to any participating jurisdiction, any of the following provisions:

(1) The first sentence of paragraph (1) of section 1437a(a) of this title (relating to eligibility of low-income families).

(2) Section 1437n of this title (relating to income eligibility and targeting of assistance).

(3) Paragraph (2) of section 1437a(a) of this title (relating to rental payments for public housing families).