

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.