To provide emergency rental assistance under the Emergency Solutions Grants program of the Secretary of Housing and Urban Development in response to the public health emergency resulting from the coronavirus, and for other purposes.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To provide emergency rental assistance under the Emergency Solutions Grants program of the Secretary of Housing and Urban Development in response to the public health emergency resulting from the coronavirus, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Emergency Rental Assistance and Rental Market Stabilization Act of 2020”.
SEC. 2. EMERGENCY RENTAL ASSISTANCE.

(a) Authorization of Appropriations.—There is appropriated to the Secretary of Housing and Urban Development (referred to in this section as the “Secretary”), out of amounts in the Treasury not otherwise appropriated, $100,000,000,000 for grants under the Emergency Solutions Grants program under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) for fiscal year 2020, to remain available until expended (subject to subsections (d) and (n) of this section), to be used for providing rental assistance in accordance with section 415(a)(4) of such Act (42 U.S.C. 11374(a)(4)) and this section.

(b) Definition of at Risk of Homelessness.—Notwithstanding section 401(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(1)), for purposes of assistance made available with amounts made available pursuant to subsection (a), the term “at risk of homelessness” means, with respect to an individual or family, that the individual or family—

1. has an income below 80 percent of the median income for the area as determined by the Secretary; and

2. has an inability to attain or maintain housing stability or has insufficient resources to pay for rent or utilities due to financial hardships.
(c) INCOME TARGETING AND CALCULATION.—For purposes of assistance made available with amounts made available pursuant to subsection (a)—

(1) each grantee of such amounts shall use—

(A) not less than 40 percent of the amounts received only for providing assistance for individuals or families experiencing homelessness or at risk of homelessness who have incomes not exceeding 30 percent of the median income for the area as determined by the Secretary;

(B) not less than 70 percent of the amounts received only for providing assistance for individuals or families experiencing homelessness or at risk of homelessness who have incomes not exceeding 50 percent of the median income for the area as determined by the Secretary; and

(C) the remainder of the amounts received only for providing assistance to individuals or families experiencing homelessness or at risk of homelessness who have incomes not exceeding 80 percent of the median income for the relevant geographic area as determined by the Secretary, except that if a grantee demonstrates
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to the satisfaction of the Secretary that the
population in the geographic area served by the
grantee having such incomes is sufficiently
being served with respect to activities eligible
for funding with such amounts, such grantee
may establish a higher percentage limit for pur-
poses of subsection (b)(1), which shall not in
any case exceed 120 percent of the area median
income; and

(2) in determining the income of a household—

   (A) the calculation of income performed at
the time of application for such assistance shall
consider only income that the household is cur-
rently receiving at such time and any income
recently terminated shall not be included;

   (B) the calculation of income performed
with respect to households receiving ongoing as-
sistance (such as medium-term rental assist-
ance) 3 months after initial receipt of assist-
ance shall consider only the income that the
household is receiving at the time of such re-
view; and

   (C) the calculation of income performed
with respect to households receiving assistance
for arrearages shall consider only the income
that the household was receiving at the time
such arrearages were incurred.

(d) 3-YEAR AVAILABILITY.—

(1) IN GENERAL.—Each grantee of amounts
made available pursuant to subsection (a) shall—

(A) expend not less than 60 percent of
such grant amounts within 2 years of the date
that such funds became available to the grantee
for obligation; and

(B) expend 100 percent of such grant
amounts within 3 years of such date.

(2) REALLOCATION AFTER 2 YEARS.—The Sec-
retary may recapture any amounts not obligated in
compliance with paragraph (1)(A) and reallocate
such amounts to grantees in compliance with the
formula referred to in subsection (h)(1)(A).

(3) RESCISSION AND REALLOCATION OF
FUNDS.—Any amounts made available pursuant to
subsection (a) that are not expended by a grantee to
provide assistance in accordance with this section by
the deadline under paragraph (1)(B) shall be reallo-
cated by the Secretary as follows:

(A) 65 percent shall be transferred and
credited to the Housing Trust Fund established
under section 1338 of the Federal Housing En-

(B) 35 percent shall be transferred or credited to the Capital Magnet Fund established under section 1339 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4569).

e) Rent Restrictions.—

(1) Inapplicability.—Section 576.106(d) of title 24, Code of Federal Regulations, shall not apply with respect to homelessness prevention assistance made available with amounts made available under subsection (a).

(2) Amount of rental assistance.—In providing homelessness prevention assistance with amounts made available under subsection (a), the maximum amount of rental assistance that may be provided shall be the greater of —

(A) 120 percent of the higher of—

(i) the Fair Market Rent established by the Secretary for the metropolitan area or county; or

(ii) the applicable Small Area Fair Market Rent established by the Secretary; or
(B) such higher amount as the Secretary shall determine is needed to cover market rents in the area.

(f) **Subleases.**—Notwithstanding the second sentence of subsection (g) of section 576.106 of title 24 of the Code of Federal Regulations, a program participant may sublet, with rental assistance made available with amounts made available pursuant to subsection (a) of this section, a dwelling unit from a renter of the dwelling unit if there is a legally binding, written lease agreement for such sublease.

(g) **Housing Relocation or Stabilization Activities.**—A grantee of amounts made available pursuant to subsection (a) may expend up to 25 percent of its allocation for activities under section 415(a)(5) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11374(a)(5)), except that notwithstanding such section, activities under such section may be provided only for individuals or families having incomes not exceeding 50 percent of the area median income.

(h) **Allocation of Assistance.**—

(1) **In general.**—In allocating amounts made available pursuant to subsection (a), the Secretary shall—
(A)(i) for any purpose authorized in this section, allocate 2 percent of such amount for Indian tribes and tribally designated housing entities (as such terms are defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)) under the formula established pursuant to section 302 of such Act (25 U.S.C. 4152), except that 0.3 percent of the amount allocated under this clause shall be allocated for the Department of Hawaiian Home Lands; and

(ii) not later than 30 days after the date of enactment of this Act, obligate and disburse the amounts allocated pursuant to clause (i) in accordance with such allocations and provide such grantees with any necessary guidance for use of the funds; and

(B)(i) not later than 7 days after the date of enactment of this Act and after setting aside amounts under subparagraph (A), allocate 50 percent of any such remaining amounts under the formula specified in subsections (a), (b), and (e) of section 414 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11373) for, and notify, each State, metropolitan city,
and urban county that is to receive a direct
grant of such amounts; and

(ii) not later than 30 days after the date
of enactment of this Act, obligate and disburse
the amounts allocated pursuant to clause (i) in
accordance with such allocations and provide
such grantees with any necessary guidance for
use of the funds; and

(C)(i) not later than 45 days after the date
of enactment of this Act, allocate any remaining
amounts for eligible grantees according to a for-
mula to be developed by the Secretary that
takes into consideration the formula referred to
in subparagraph (A) and the need for emer-
gency rental assistance under this section, in-
cluding the severe housing cost burden among
extremely low- and very low-income renters and
disruptions in housing and economic conditions,
including unemployment; and

(ii) not later than 30 days after the date
of the allocation of such amounts pursuant to
clause (i), obligate and disburse such amounts
in accordance with such allocations.

(2) ALLOCATIONS TO STATES.—
(A) IN GENERAL.—Notwithstanding section 576.202(a) of title 24, Code of Federal Regulations, a State recipient of an allocation under this section may elect to administer up to 100 percent of its allocation to carry out activities eligible under this section.

(B) REQUIREMENT.—Any State recipient making an election described in subparagraph (A) shall serve households throughout the entire State, including households in rural communities and small towns.

(3) ELECTION NOT TO ADMINISTER.—If a grantee elects not to receive funds under this section, such funds shall be allocated to the State recipient in which the grantee is located.

(4) PARTNERSHIPS AND SUBGRANTEES.—A recipient of a grant under this section may distribute funds through 1 or more partnerships, subgrantees, or contracts with an entity, including a public housing agency (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), capable of carrying out a program under this section.

(i) INAPPLICABILITY OF MATCHING REQUIREMENT.—Section 416(a) of the McKinney-Vento Homeless
(j) Reimbursement of Eligible Activities.—
Amounts made available pursuant to subsection (a) may be used by a grantee to reimburse expenditures incurred for eligible activities under this section after March 27, 2020.

(k) Prohibition on Prerequisites.—None of the funds made available pursuant to this section may be used to require any individual receiving assistance under the program under this section to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services.

(l) Waivers and Alternative Requirements.—

(1) In general.—

(A) Authority.—In administering the amounts made available pursuant to subsection (a), the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of such amounts (except for requirements related to fair housing, nondiscrimination, labor standards,
prohibition on prerequisites, data reporting, and
the environment unless otherwise provided
under this paragraph), if the Secretary finds
that good cause exists for the waiver or alter-
native requirement and such waiver or alter-
native requirement is necessary to expedite the
use of funds made available pursuant to this
section, to respond to public health orders or
conditions related to the COVID-19 emergency,
or to ensure that eligible individuals can attain
or maintain housing stability.

(B) REQUIRED WAIVER.—The Secretary
shall waive any regulatory requirements that re-
strict eligibility based upon prior receipt of as-
sistance under the program during the 3-year
period preceding the date of enactment of this
Act.

(C) PUBLIC NOTICE.—The Secretary shall
notify the public through the Federal Register
or other appropriate means of any waiver or al-
ternative requirement under this paragraph,
and that such public notice may be provided, at
a minimum, on the internet at the appropriate
Government website or through other electronic
media, as determined by the Secretary.
(2) **Public hearings.**—

(A) **Inapplicability of in-person hearing requirements during the COVID-19 emergency.**—

(i) **In general.**—A grantee under this section shall not be required to hold in-person public hearings in connection with its citizen participation plan, but shall provide citizens with notice, including publication of its plan for carrying out this section on the internet, and a reasonable opportunity to comment of not less than 5 days.

(ii) **Resumption of in-person hearing requirements.**—After the period beginning on the date of enactment of this Act and ending on the date of the termination by the Federal Emergency Management Agency of the emergency declared on March 13, 2020, by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 4121 et seq.) relating to the Coronavirus Disease 2019 (COVID-19) pandemic, and after the period described
in subparagraph (B), the Secretary shall direct grantees under this section to resume pre-crisis public hearing requirements.

(B) VIRTUAL PUBLIC HEARINGS.—

(i) IN GENERAL.—During the period that national or local health authorities recommend social distancing and limiting public gatherings for public health reasons, a grantee may fulfill applicable public hearing requirements for all grants from funds made available pursuant to this section by carrying out virtual public hearings.

(ii) REQUIREMENTS.—Any virtual hearings held under clause (i) by a grantee under this section shall provide reasonable notification and access for citizens in accordance with the grantee’s certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.

(m) DEVELOPMENT AND SUBMISSION OF PLANS.—

(1) RESUBMISSION OF PLANS.—A recipient of funds made available pursuant to this section may
revise and resubmit its plan for executing a program
or programs under this section to the Secretary at
anytime during the first 180 days of initiating the
program.

(2) CONSULTATION.—In developing a plan to
carry out this section, each recipient of funds made
available pursuant to this section shall consult with
the applicable Continuum or Continuums of Care for
the geographic area served by the recipient and or-
ganizations representing underserved communities
and populations and organizations with expertise in
affordable housing.

(n) ADMINISTRATION.—

(1) BY SECRETARY.—Of any amounts made
available pursuant to subsection (a)—

(A) not more than the lesser of 0.5 per-
cent, or $15,000,000, may be used by the Sec-
retary for staffing, training, technical assist-
ance, technology, monitoring, research, and
evaluation activities necessary to carry out the
program carried out under this section, and
such amounts shall remain available until Sep-
tember 30, 2024; and

(B) not more than $2,000,000 shall be
available to the Office of the Inspector General
for audits and investigations of the program authorized under this section.

(2) By recipients.—Subsection (a) of section 576.108 of title 24 of the Code of Federal Regulations shall be applied, with respect to amounts made available pursuant to this section, by substituting “10” for “7.5”.