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Department of Housing and Urban Development – Andrew Cuomo, Secretary
Office of Public Affairs, Washington, DC

HUD No. 99-272
(202) 708-0685
<http://www.hud.gov/news.html>

FOR RELEASE
10 a.m. Tuesday
December 21, 1999

CUOMO BARS NEW YORK CITY FROM ADMINISTERING MILLIONS OF DOLLARS IN HUD HOMELESS GRANTS

N **NEW YORK** – The U.S. Department of Housing and Urban Development will bar New York City from administering millions of dollars in HUD homeless grants because the City has acted improperly to block funds to groups that have criticized City policies, Secretary Andrew Cuomo said today.

“HUD is acting in the best interests of homeless people in New York City, to ensure that the most qualified homeless assistance programs get our funding,” Cuomo said. “Our action won’t cut funding to homeless programs in New York City by a single penny, but will make sure that federal dollars go to the right programs and are administered fairly and lawfully.”

Cuomo said he is taking the unprecedented action in response to a judge’s ruling and several complaints accusing New York City of retaliating against non-profit groups by denying them HUD funds after they criticized City policies on homelessness and other issues.

HUD requires communities applying for homeless assistance funding to put together a list ranking programs in order of priority. Because communities usually seek more money from HUD than is available, programs given low rankings usually do not get funding.

Typically, city officials convene this process and rank the programs. New York City has been convening the ranking process for the City’s grant application for several years.

Most Continuum of Care funding in New York City goes directly from HUD to non-profit groups. However, New York City has applied for millions of additional dollars that were set to be administered by the City government until Cuomo’s announcement.

The Secretary said HUD itself will administer these grants in New York City, replacing the New York City government as the administrator of the funds not awarded directly to homeless service providers.

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HUD will also bar New York City from ranking the applications of groups seeking homeless assistance funds from HUD in 2000, Cuomo said. He said HUD will require that a new entity be designated to do the rankings of all applications from groups in New York City.

The Secretary made his announcement at a hearing by two New York State Assembly Committees in New York City on the City's homeless policies.

A recent federal court ruling overturned an attempt by New York City to stop HUD Continuum of Care homeless assistance grant funds from going to the group Housing Works by lowering the group's priority ranking.

U.S. District Judge Allen G. Schwartz ruled Nov. 12 that New York City improperly lowered the ranking to retaliate against Housing Works because the group has staged demonstrations to protest City policies dealing with homelessness and AIDS. The judge said the City's action violated the First Amendment constitutional rights of Housing Works.

The judge said that two Housing Works programs – in Manhattan and Brooklyn – should have been ranked much higher by New York City because they met all four locally determined criteria for the designation of high priority applications. The criteria are: renewal of existing programs; and providing housing and services to people with substance abuse problems, people with mental illness, and people with AIDS.

Judge Schwartz ordered the rankings of the Housing Works programs to be raised substantially to give them a better chance to receive HUD homeless assistance. New York City is appealing the judge's ruling.

In addition, HUD has received complaints from other non-profit groups that serve homeless people, accusing New York City of being unfair when prioritizing the applications of the groups for HUD homeless assistance funding.

An example was reported to HUD in 1998, involving another group that has been critical of New York City's homeless policies – the Coalition for the Homeless. The Coalition was removed entirely by New York City from its list of groups eligible for Continuum of Care funding from HUD. The group complained that it was improperly denied funding as the result of the City action. HUD responded by deducting points from the assistance application by New York City.

Coalition for the Homeless Executive Director Mary Brosnahan wrote to HUD in 1998 about the case, and said: "HUD's historic record of consistency and fairness stands in stark contrast to the arbitrary and capricious actions by local government officials surrounding this application."

HUD will award grants to non-profit groups and others around the nation under its award-winning Continuum of Care program for homeless people by the end of the year.

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"Our approach offers long-term solutions to homelessness that really work, instead of short-term fixes that won't solve the problem," Cuomo said.

Today's announcement by Cuomo comes two weeks after he released a report that showed HUD's Continuum of Care program and other programs that provide homeless people with both housing and needed services are working. The report is titled *The Forgotten Americans - Homelessness: Programs and the People They Serve*. The study said that when homeless people get housing assistance and needed services, 76% of those living in families and 60% of those living alone end their homeless status after completion of the assistance program.

HUD's Continuum of Care initiative, which was developed by Cuomo when he was an Assistant Secretary at HUD, is the centerpiece of the federal policy on homelessness. It has helped more than 300,000 homeless people get housing and jobs to become self-sufficient.

The Continuum of Care stresses permanent solutions to homelessness through comprehensive and collaborative community planning. Communities submit plans to HUD that reflect efforts to address the complexities of homelessness through a range of housing and services.

HUD has invested nearly \$5 billion in programs to help homeless people since President Clinton took office - more than three times as much as the \$1.5 billion HUD spent on homeless assistance programs from 1987 to 1993. The grants are awarded to states, local governments and non-profit groups based on a number of factors that measure the effectiveness of plans to help homeless people become self-sufficient.

This year, the Continuum of Care was one of just ten winners, out of 1,600 competitors, of the prestigious Innovations in American Government Award that is given by the Ford Foundation and the Kennedy School of Government at Harvard University. The awards are designed to recognize "cutting edge" government programs that effectively solve problems and that other governments can replicate.

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Homeless Radio Address
Q&A
12/25/99

Q: What did the President announce today?

A: Today President Clinton announced that the Department of Housing and Urban Development (HUD) is awarding \$900 million in grants to help more than 245,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. These grants, Continuum of Care and Emergency Shelter Grants, will be provided to all fifty states and will fund more than 2000 individual projects designed to create safe, affordable housing and break the cycle of homelessness. The success of the Continuum of Care approach was recently recognized when it won the coveted Harvard/Ford Foundation Innovations in Government Award.

Q: What does the Fiscal Year 2000 budget provide for HUD homeless assistance programs?

A: The FY2000 enacted budget for HUD provides \$1.02 billion for homeless assistance – a \$45 million increase from the \$975 million enacted for HUD homeless programs for FY 1999. This is also an increase of \$448 million or an almost 80 percent over the 1993 enacted level of \$571.6 million.

Q: How are the \$900 million in grants distributed?

A: The Continuum of Care grants include \$750 million to fund 1835 individual projects, including state and local governments and more than 1000 non-profit organizations that work with the homeless. These competitive grants enable organizations to provide homeless people with transitional and permanent housing and fund supportive services such as job training, child care, substance abuse treatment, and mental health services. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities. In addition, the President announced \$150 million of grants under the Emergency Shelter Grants program. This program assists communities in providing temporary emergency shelter and other essential services. Grants are allocated to States, metropolitan cities and urban counties based on a formula that uses several objective measures of community need, including poverty, population, housing overcrowding, and age of housing.

Q: How many persons are homeless in the United States? Why are they homeless?

A: According to Administration estimates, there are as many as 600,000 homeless men,

women, and children in the United States on any given night. The homeless population is a diverse group whose homelessness has been caused by a complex array of factors ranging from economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. Recently, the Administration unveiled a new report on homelessness entitled “The Forgotten Americans – Homelessness: Programs and the People They Serve.” This report found that the top priority of homeless people surveyed was to get a job and that 44 percent of homeless persons worked at least part-time during the last month. The report also found that 34 percent of homeless service users are members of homeless families, with 23 percent of homeless service users being children. Thirty-nine percent reported having a mental health problem, 38 percent reported an alcohol abuse problem, and 26 percent reported having a drug-abuse problem. Finally, 76 percent of those living in homeless families and 60 percent of single homeless persons moved to an improved living situation after receiving housing assistance and needed services.

Q: What are some additional highlights of the recent report on homelessness?

A: Some of the highlights of the report are:

- Serious problems since childhood are common, with 25% reporting childhood physical or sexual abuse, 33% reporting running away from home, and 27% saying they lived in foster care, a group home or other institution as a child.
- Homeless people are among the poorest in the nation, with incomes averaging half the federal poverty level. In the 30 days before they were surveyed, single homeless people reported a mean income of \$348, and homeless families reported a mean income of \$475. In addition, 40% of homeless people surveyed went without food one or more days in the previous month because they couldn't afford food, compared with 3% of other poor Americans.
- Health and disability problems are common among homeless people. When survey participants were asked about their health in the previous month, 46% said they had a chronic health problem such as arthritis or cancer, 39% reported a mental health problem, 38% reported an alcohol problem, and 26% reported a drug problem. 55% said they had no medical insurance.
- Homeless people have low educational levels. The survey found that 38% of homeless people have less than a high school diploma, compared with 18% of the overall population. This makes it harder for homeless people to get jobs.

Q: What has the Clinton Administration done to address homelessness?

A: President Clinton has made addressing homelessness a top priority. Since taking office in 1993, President Clinton has overseen an almost 80 percent increase in McKinney Act homeless assistance, and the Administration has implemented the Continuum of Care approach to homelessness. This approach encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources.

Q: What specifically is the Continuum of Care strategy?

A: In 1993, HUD initiated a new strategy for reducing homelessness by requiring communities to establish "Continuum of Care" plans. A Continuum of Care plan is a coordinated community approach which focuses on ensuring that homeless persons move from homelessness into jobs and permanent housing. The key elements of a Continuum of Care community plan are: outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing.

Q: How is the Continuum of Care approach working?

A: The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, between 4 to 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. The study also indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been replaced by comprehensive planning and coordinated housing and service delivery. The success of the Continuum of Care approach was recently recognized when it won the prestigious Harvard-Ford Foundation Innovations in Government Award.

**PRESIDENT CLINTON ANNOUNCES NEARLY \$1 BILLION IN GRANTS
TO HELP OVER 245,000 HOMELESS AMERICANS ACHIEVE SELF-SUFFICIENCY
December 25, 1999**

Today President Clinton will announce that the Department of Housing and Urban Development (HUD) is awarding nearly \$1 billion in grants to help more than 245,000 homeless people obtain housing and vital social services to reach self-sufficiency. These grants, called Continuum of Care Grants and Emergency Shelter Grants, will be provided to all fifty states and will fund more than 2,000 projects to create safe, affordable housing and break the cycle of homelessness.

RECENT REPORT UNDERSCORES URGENCY OF ISSUE. The Clinton Administration recently unveiled a new report on homelessness entitled "The Forgotten Americans -- Homelessness: Programs and the People They Serve." This report found that the top priority of homeless people surveyed was to get a job and that 44 percent of homeless persons worked at least part-time during the last month. The report also found that 34 percent of homeless service users are members of homeless families, with 23 percent of homeless service users being children. Thirty-nine percent reported having a mental health problem, 38 percent reported an alcohol abuse problem, and 26 percent reported having a drug-abuse problem. Finally, 76 percent of those living in homeless families and 60 percent of single homeless persons moved to an improved living situation after receiving housing assistance and needed services.

NEW GRANTS TO HELP MORE HOMELESS AMERICANS GET ON THE PATH TO SELF-SUFFICIENCY. The President today will announce nearly \$1 billion in grants that will empower more than 245,000 homeless people to find housing and to access the services they need to achieve self-sufficiency.

- Continuum of Care Grants. The President will announce \$750 million in Continuum of Care competitive grants to help homeless persons in approximately 300 communities across 48 states and the District of Columbia. The grants provide homeless people with transitional and permanent housing and fund social services such as job training, child care, substance abuse treatment, and mental health services. The grants are provided under the Stewart B. McKinney Homeless Assistance Act and will fund 1,835 individual projects. Non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities.
- Emergency Shelter Grants. The President also will announce \$150 million in funding for the Emergency Shelter Grants program to 311 local jurisdictions located in all 50 states, the District of Columbia, and Puerto Rico. Under this program, states and cities select local projects to receive funding for emergency shelter and other homeless needs. These funds can be used to improve the quality of existing emergency shelters, to make available additional shelters and transitional housing, to meet the costs of operating shelters and of providing essential social services to homeless individuals, and to help prevent homelessness. The funds are distributed through a formula based on a community's housing and poverty needs.

PRESIDENT RE-EMPHASIZES HIS "CONTINUUM OF CARE" STRATEGY TO

HELP END THE CYCLE OF HOMELESSNESS. Today's grants are the product of President Clinton's Continuum of Care strategy, initiated in 1993. This strategy requires local public and private agencies to collaborate on creating a comprehensive plan to address the needs of poor and homeless people, and to coordinate services most efficiently. The goal of the Continuum of Care strategy is to ensure that communities respond to homelessness not simply by providing emergency assistance, but also by putting into place comprehensive and long-term approaches to help homeless people become self-sufficient. The key elements are outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing. This year, Harvard University's Kennedy School of Government and the Ford Foundation recognized the Continuum of Care strategy as a winner of their Innovations in American Government Award.

What was the action taken today by Secretary Cuomo?

Today, Secretary Cuomo announced that HUD will bar New York City from administering millions of dollars in HUD homeless grants.

Most homeless funds go directly from HUD to non-profit groups. However, NYC has applied for millions of additional dollars that were set to be administered by the City government.

Now, HUD will administer those grants itself, replacing the NYC government as the administrator of funds not awarded directly to homeless service providers. **Not a penny less will go to homeless programs in NYC as a result of this action.**

Additionally, HUD will also bar NYC from ranking the applications of groups seeking homeless assistance funds from HUD in 2000. A new entity will be designated to rank applications from NYC groups.

Why was this action taken?

This action was taken in response to the ruling of U.S. District Judge Allen G. Schwartz and several complaints accusing New York City of retaliating against non-profit groups by denying them HUD funds after they criticized City policies on homelessness and other issues.

A recent federal court ruling overturned an attempt by New York City to stop HUD Continuum of Care homeless assistance grant funds from going to the group *Housing Works* by lowering the group's priority ranking.

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Judge Schwartz ordered the rankings of the Housing Works programs to be raised substantially to give them a better chance to receive HUD homeless assistance. New York City is appealing the judge's ruling.

In addition, HUD has received complaints from other non-profit groups that serve homeless people, accusing New York City of being unfair when prioritizing the applications of the groups for HUD homeless assistance funding.

What are the consequences of this action?

As a result of this action, HUD will administer the homelessness grants that the NYC government would have administered. This action will not affect the amount of funds that go to NYC, not one penny will be cut from homeless programs in NYC.

STATEMENT ON NEW YORK CITY BY DAVID EGNER
HUD Deputy Assistant Secretary for Public Affairs

Earlier today, HUD announced that it was removing City Hall from control over federal homeless funding. HUD took the action because of the troubling findings by a federal judge that the Giuliani Administration had politicized the process and improperly denied funding to a homeless advocacy group in retaliation for its public criticism of the Mayor. The Judge, citing the "Mayor's hostility", "aberrant behavior," and "antagonism towards Housing Works," said there was "substantial evidence of retaliatory intent" by the Mayor. HUD has an obligation to ensure that federal funds are being spent properly and took its action today to comply with the Judge's decision.

Instead of making apologies and amends for the damage he has done, the Mayor has chosen to hurl accusations at the federal government and local advocacy groups and defy the serious findings of a Federal District Court Judge. As the Secretary said earlier today, "Mr. Mayor, if you have a problem, tell it to the judge."

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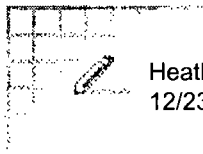
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Heather F. Hurlburt
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To: Terry Edmonds/WHO/EOP@EOP
cc: Mary L. Smith/OPD/EOP@EOP
Subject: HUD requests on xmas radio address

HUD (supposedly Cuomo personally) called in to say they really want HUD mentioned, as well as the fact that their homeless programs are so great that they won a Harvard Reinventing government award, and that the quality of their grantees is also very high.

I think the Harvard thing is obviously a non-starter, but if we want to give them something, we could do this (new text in bold)

Here at home, we are reaching out to the poor – to those who do not yet share in America's growing prosperity. We are making new efforts to reach out to the homeless – to help them find housing, medical care and jobs. Today I am happy to announce that we will be providing nearly \$1 billion in new federal grants **through the Department of Housing and Urban Development** for housing and social services to help the homeless in all 50 states, the District of Columbia and Puerto Rico. **Those grants will fund dynamic, successful programs that help homeless families, veterans, children and people looking for work.** ~~They are~~ a Christmas gift we can all be proud of.

Homeless Policy Q&A
December 22, 1999

Q: Does the Administration support the Department of Housing and Urban Development's (HUD) decision to bar New York City from administering HUD's homeless grants?

A: HUD made this announcement in response to a federal court's ruling that New York City improperly blocked funds to groups that have criticized the City's policies on homelessness. The Administration supports HUD's actions which will not cut funding to homeless programs in New York City, but will have HUD administer these grants in New York City, replacing the New York City government as the administrator of the funds not awarded directly to homeless service providers.

Q: What this decision a political decision? Did it relate to the First Lady's Senate campaign?

A: This was not a political decision, and the White House or the First Lady did not participate in this decision. HUD's action was taken after a federal court ruling and in response to several complaints accusing New York City of retaliating against non-profit groups by denying them HUD funds after they criticized City policies on homelessness and other issues.

Q: What does the Administration think about Mayor Giuliani's new policy regarding the homeless?

A: What is needed are real solutions that actually move people out of homelessness, and that is what we have tried to do. The Administration is addressing this problem on a variety of fronts -- strengthening commitments to help homeless people reach self-sufficiency, to help them receive vital services and housing, and to provide funding for emergency shelters. Since the start of the Administration, the President has achieved budget increases of more than 80 percent for HUD's homeless assistance programs, and the final fiscal year 2000 budget provides \$1.02 billion for HUD's homeless assistance grants, enabling localities to continue to shape and implement comprehensive, flexible, coordinated "continuum of care" approaches to solving homelessness.

The Continuum of Care strategy, initiated in 1993, requires local public and private agencies to work together to create a comprehensive plan to address the needs of poor and homeless people, and to coordinate services to use resources most efficiently. The goal of this strategy is to ensure that communities respond to homelessness not simply by providing emergency assistance or arresting people, but by putting into place comprehensive and long-term approaches that

will help homeless people become self-sufficient.

We cannot ignore the link between mental illness and homelessness. That is why HUD is launching a new initiative to encourage communities to create safe havens where homeless mentally ill Americans can get treatment and care. The Department of Health and Human Services (HHS) will also launch a two-year, \$4.8 million grant program to study the treatment, housing, education, training, and support services needed by homeless women and their children. This program will benefit approximately 2,000 homeless mothers and their 4,000 children, many of whom suffer from mental illnesses. It is better to try to treat homeless persons rather than try to criminalize the mere fact of homelessness.

It is our duty as a national community to ensure that all Americans have access to safe and affordable housing, and the Administration will continue to do all it can to advance this important goal.

1999 CONTINUUM OF CARE ANNOUNCEMENTS

FACT SHEET

More than \$900^{million} in grants help thousands of homeless Americans. Today, HUD announces \$900 million in competitive and formula homeless grants for emergency, transitional, and permanent housing and supportive services, including:

- Continuum of Care competitive grants -- \$750 million in HUD assistance for transitional and permanent housing and supportive services.
- Emergency Shelter Assistance formula grants -- \$150 million in HUD assistance for operating shelters, providing transitional housing, and activities to help prevent homelessness.

The Continuum of Care was recently selected by Harvard University and the Ford Foundation as one of 10 winners (out of 1600 nominees) of the coveted Innovations in Government award which honors government programs that are working and provide opportunities for replication to address other similar problems.

Hundreds of communities applied for Continuum of Care resources. In February 1999, HUD announced the competition for its competitive homeless programs that make up the Continuum of Care: the Supportive Housing Program (SHP), the Shelter + Care (S+C) Program and the Section 8 Single Room Occupancy (SRO) Program. Over 400 communities submitted Continuum of Care applications containing 3,000 individual projects designed to address homelessness. Applications are evaluated by looking at local strategies for addressing homelessness, including the coordination and involvement of Federal, state and local government agencies, nonprofit organizations, homeless persons, and in many cases, local businesses. The Continuum of Care approach requires that the specific needs of each sub-population of homeless people be addressed, including individuals and families, veterans, youth, persons with mental illness, substance abuse issues, victims of domestic violence, and persons living with (HIV/AIDS) or other disabilities. Each community must submit a list of priority projects for funding that addresses the full spectrum of needs that exist.

The attached list of programs funded under this Continuum of Care competition provided over \$750 million in funding for 297 Continuum of Care efforts and 1,835 individual projects in 48 states and the District of Columbia.

Hundreds of communities share Emergency Shelter Grants. In addition, today, HUD is announcing \$150 million in Emergency Shelter Grants distributed by formula to 311 local jurisdictions, all 50 states, the District of Columbia, Puerto Rico and Insular areas. These funds can be used to improve the quality of existing emergency shelters, to make available additional shelters and transitional housing, to meet the costs of operating shelters and of providing

essential social services to homeless individuals, and to help prevent homelessness.

Comprehensive solutions – the Continuum of Care. Complex problems need comprehensive solutions. Solutions to homelessness must involve access to safe, decent, affordable housing, links to supportive services, including job training and placement, day care, health care, mental health services, and substance abuse treatment. That's exactly what the Continuum of Care is designed to do. Under the direction of HUD Secretary Andrew Cuomo, the Administration has implemented the Continuum of Care approach to homelessness which encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources. The goal of the Continuum of Care is to give communities the flexibility and decision-making power to craft plans which move away from short-term emergency measures toward permanent solutions which will allow homeless persons to reach the maximum level of self-sufficiency possible. The key elements of a Continuum of Care system are:

- Outreach and assessment efforts to identify an individual or family's needs and make connections to facilities and services
- Provision of emergency shelter and appropriate support services as safe decent alternatives to the streets.
- Transitional housing and necessary social services to help persons who are get the support, skills, and resources they need to move to permanent housing and independent living.
- Permanent housing or permanent supportive housing to help meet the long-term needs of homeless individuals and families.

The Continuum of Care Works. The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, as many as 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. Also, the study indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been replaced by comprehensive planning and coordinated housing and service delivery.

Homelessness is more than lack of a home. It is estimated that on any given night, at least 600,000 men, women, and children in the United States are homeless. The causes of homelessness are as diverse as the people themselves, caused by a complex array of factors ranging from economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. An estimated 39% of the homeless population have recently experienced mental illness; 38% have recently experienced alcohol use problems; and 26% have drug use problems. Some have become homeless as a result of domestic violence, while others were forced into homelessness by a health crisis, such as HIV/AIDS. Also, as many as one-third of all homeless men are Veterans.

HUD Homelessness Funding under the Clinton Administration: 1993-1999

1993	\$572 million
1994	\$823 million
1995	\$1.120 billion
1996	\$823 million
1997	\$823 million
1998	\$823 million
1999	\$975 million

OVERVIEW
1999 SUPERNOFA CONTINUUM OF CARE HOMELESS ASSISTANCE
COMPETITION RESULTS

- Projects in 48 states, and the District of Columbia received homeless competition awards. The Continuum of Care is the recipient of the coveted Harvard/Ford Foundation Innovations in Government Award.
- 297 cities/communities are receiving awards in 1999.
- 3,000 project requests were received.
- A total of 1,835 projects are being funded under the Continuum of Care in the amount of \$750,224,195 million, including:
 - a total of 1,651 Supportive Housing Program (SHP) projects are being awarded grants totaling \$581,240,075.
 - 168 Shelter Plus Care (S+C) projects are being awarded grants totaling \$151,995,840.
 - 16 Single Room Occupancy projects are being awarded grants totaling \$16,988,280.
- The 1999 grants will help ensure that more than 245,000 persons at a point in time will receive services and housing to help them make the move towards self-sufficiency.
- Over 790 of the projects funded this year will serve homeless persons with mental illness.
- Over 1,050 of the projects funded this year will serve homeless persons experiencing substance abuse problems.
- Homeless women and children will be served by over 980 of the projects funded in this year's competition.
- 241 projects will serve homeless persons rural areas.
- 963 projects will serve homeless veterans, 58 of which will be specifically for homeless veterans.

OVERVIEW
EMERGENCY SHELTER GRANTS

Emergency Shelter Grants (ESG) are not competitive, but are distributed through a formula

based on poverty and housing needs. \$150 million in Emergency Shelter Grant (ESG) funds will go to:

- Over 300 jurisdictions, 50 states, the District of Columbia, Puerto Rico and the territories.

Questions and Answers

1999 Homeless Assistance Competition

Q. What has the Clinton Administration done to address homelessness?

- A. Early in his term, President Clinton issued an Executive Order calling for the development of a Federal Plan to combat homelessness. Based on the Plan, the Administration sought and achieved significant increases in funding for homeless assistance, and crafted the Continuum of Care policy which now drives most communities' planning and service coordination to address homelessness.

The Continuum of Care was recently selected by Harvard University and the Ford Foundation as one of 10 winners (out of 1600 nominees) of the coveted Innovations in Government award which honors government programs that are working and provide opportunities for replication to address other similar problems.

Q. What is the Continuum of Care?

- A. The Continuum of Care is the way that HUD has been funding local homelessness projects since 1994. The Continuum of Care framework recognizes that each community's homeless assistance needs, and resources to meet those needs, are as different and distinct as the people who live within them. While the Continuum of Care approach can serve as the catalyst to bring the essential components together, only the community can design a local strategy that works to address its particular homelessness-related problems. The fundamental components are outreach and assessment, emergency shelter, transitional housing, permanent housing, and permanent supportive housing.

The Continuum of Care was recently selected by Harvard University and the Ford Foundation as one of 10 winners (out of 1600 nominees) of the coveted Innovations in Government award which honors government programs that are working and provide opportunities for replication to address other similar problems.

Q. How is the Continuum of Care approach working?

- A. The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been replaced by the comprehensive planning and coordinated housing and service delivery. As a result,

the private sector has increased its financial commitment to addressing homelessness in many communities and federal resources have been significantly leveraged by these contributions and local and state government funding.

The Continuum of Care was recently selected by Harvard University and the Ford Foundation as one of 10 winners (out of 1600 nominees) of the coveted Innovations in Government award which honors government programs that are working and provide opportunities for replication to address other similar problems.

Q. How many applications did you receive?

- A. HUD received 423 individual Continuum of Care applications containing 3,000 different projects designed to assist homeless persons reach the highest level of self-sufficiency possible. Of these, a total of 1,835 projects were funded.

Q. How much funding was available under this competition?

- A. The 1999 Continuum of Care competition makes \$750 million available.

Q. What types of projects were funded?

- A. The competition provides funding under three HUD programs: The Supportive Housing Program (SHP); the Shelter Plus Care (S+C) program; and the Section 8 Mod Rehab Single Room Occupancy (SRO) program.
- The Supportive Housing Program can be used to fund a wide array of homeless assistance programs ranging from housing to supportive services such as child care and job training.
 - The Shelter Plus Care program is designed to provide permanent housing with supportive services for homeless persons with disabilities such as mental illness, chemical dependency, or HIV/AIDS. HUD provides the housing funding which must be matched 1-for-1 with services funding from other sources.
 - The SRO program provides 10 years of Section 8 rental assistance for permanent Single Room Occupancy for homeless individuals. Grantees obtain outside financing for the purchase and renovation of their projects and use the cash flow from tenant rents (at no more than 30% of their income) and the Section 8 subsidy to cover their operating and financing costs.

Q. My project wasn't funded. What can I do next year to get funding?

- A. Basically, three factors influence whether a project is funded: the strength of the

community's Continuum of Care, a project's position on the community's priority list, and whether the threshold criteria (eligibility of activities, quality of the project, capacity of project sponsor) are met. You will want to work with your community to develop the strongest Continuum of Care possible. Your project may not have been funded if it was not ranked high enough on the community's Project Priorities list. Since there is limited funding, HUD can only fund the higher priority projects. Communities are in the best position to decide how to focus homelessness resources. Next year your project might be ranked higher and could receive funding. Another possible reason that your project was not funded is that it did not meet eligibility and quality standards. Your local HUD Field Office can work with you if this was the case.

Q. My community has a well-developed Continuum of Care and has received funding regularly for the past several years. Where do we go from here?

- A. Many communities have been successful in accessing funding through the Continuum of Care process. There are many directions communities can take. Homelessness prevention and permanent, affordable housing are important elements of a strategy for solving homelessness. Some communities have decided to carefully inventory the services and housing being provided for homeless assistance to ensure that duplication does not occur. Other communities are developing standards for service delivery and housing services to measure their grantees. Other communities are using HUD funds to access other funds and create a greater match and share with projects. Any of these ideas can improve a community's Continuum of Care system and can be part of the discussion for the following competition.

Q. Why doesn't HUD allow more flexibility with its homeless programs? We want to do homeless prevention in our community, but only a limited amount of funds can be used for that.

- A. Homeless prevention activities are eligible under the Emergency Shelter Program. HUD's other homeless programs don't allow prevention activities because Congress authorized these programs to serve persons who are homeless, not those who are close to being homeless. Communities can use other HUD funds such as CDBG funding to do homeless prevention activities. While HUD recognizes the importance of homeless prevention activities, these activities are one piece of the total Continuum of Care. One important prevention strategy is to work to increase permanent, affordable housing.

Q. Why does HUD require that we match the money we use for construction and rehabilitation costs in homeless activities? We want to build a new transitional housing center, but we can't afford to match the construction costs.

- A. HUD funds for homeless activities can be looked at as funding to supplement the funding that may be available in a community. Construction costs must be matched because

Congress authorized the program to include matching and sharing of homeless assistance funding.

Q. Several of our S+C and SHP renewal projects were not funded in the competition. What can be done to keep the project going and the families and individuals off the streets?

A. Unfortunately, HUD funds are not endless, nor are they the only alternative for renewal of expiring projects. Other Federal housing resources are available by formula to most metropolitan areas and to all States. These funds can be used to cover most of the eligible activities under S+C and SHP. For example, HOME funds can be used to substitute for S+C funds in providing rental assistance (permanent housing) to disabled tenants. CDBG or HOME can be used to acquire and rehabilitate transitional housing in lieu of SHP funds. The development of an effective local Continuum of Care would help as well by identifying all available resources and organizations that can be of assistance in filling the gap.

Q. Why does it take HUD so long (e.g., six months) to execute a grant with an applicant once you've announced the winners?

A. In the majority of cases, it should not take six months. Once HUD Headquarters makes the conditional awards, HQ sends the information on the winners to field offices which are responsible for resolving any remaining issues. Financing, site control, and environmental reviews are some of the issues that often take time to resolve. If an applicant is not really ready to begin the project, these issues may take additional time to resolve. In addition, HUD Field Offices must frequently juggle their workload when facing many competing priorities. The Department will be taking additional steps to help ensure that grants can be executed soon after initial award.

Q. My SHP renewal project is expiring in January. When will I have my renewal funding?

A. HUD is aware that SHP projects are expiring early in 2000 and has taken two measures to address the situation. First, HUD field offices will have Technical Submission documents to give to selectees as soon as possible. Second, selectees with grants expiring between January and March may have access to 10 percent of their award prior to completing their Technical Submission.

Q. I understand HUD was one of the sponsors of a recent survey on homelessness. What did the survey tell us about homelessness?

A. Yes, HUD was one of 12 Federal agencies which helped to fund *Homelessness: Programs and the People They Serve*, the most comprehensive survey on homelessness ever. Some of the key findings of the voluminous survey include the significant number of homeless persons who suffered a childhood trauma (foster care,

institutionalization, etc.), the number of homeless persons with substance abuse disorder, mental illness, other physical illnesses, and the disproportionate number of minorities among the homeless population. In addition the report showed that 44% of homeless persons worked within the past month and, when asked, the largest number of homeless people said a job is what they needed to move out of homelessness. The survey also said that over 76% of people who are homeless in families and 60% of single homeless individuals move from homelessness to a better situation if they get basic services.

EMERGENCY SHELTER GRANTS (ESG) PROGRAM

PURPOSE: The program is designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters and transitional housing, to meet the cost of operating shelters and of providing essential social services to homeless individuals, and to help prevent homelessness.

PROGRAM OVERVIEW: This program provides grants to states, metropolitan cities, urban counties, and territories according to the formula used for Community Development Block grants (CDBG). Eligible activities include renovation, major rehabilitation, or conversion of buildings for use as emergency shelters or transitional housing for the homeless. With certain limitations, grantees may also spend funds on essential services for the homeless, and homeless prevention efforts. In addition, grantees may spend funds on shelter operating costs such as maintenance, insurance, utilities, rent, and furnishing.

ELIGIBLE APPLICANTS: States, metropolitan cities, urban counties, and territories according to the formula used for Community Development Block Grants (CDBG). If, according to the CDBG, formula, a city or county receives less than .05 percent of each appropriation in any fiscal year, its ESG amount is added to the allocation for the state in which the city or county is located.

City and county grantees must distribute their ESG funds to public agencies and nonprofit recipients for homeless shelter and service activities. States must distribute all of their funds to local governments, or to nonprofit organization with the approval of the local governments.

FY99Funding Level: \$150 million

CONTINUUM OF CARE SUCCESS STORIES

ANCHORAGE, ALASKA -- AJ came into Homeward Bound, a HUD-funded transitional housing program, when she was 39 years old. She arrived in July of 1997 from the hospital, where she had landed after having been severely beaten by her boyfriend. She had been living on the streets for over four years and drinking heavily for the last eight years. AJ also had had no contact in the last three years with her four youngest children, and had a myriad of legal, medical and mental health issues. Due to her bizarre behaviors and relapses she was no longer welcome at Anchorage emergency shelters, soup kitchens, and at most social service agencies.

Nine months after entering Homeward Bound, AJ received her GED and certification in CPR and First Aid, and started taking college courses. She has been a full time volunteer at the Pioneer Home in Anchorage, and wants to get her certification as a Nurse's Aide. AJ is also extremely active in Homeward Bound in her capacity as the Resident Representative on the Homeward Bound Advisory Council.

On a personal level, AJ has reunited with her four youngest children. In addition to all her amazing accomplishments, AJ has been living in her own apartment now for two years, has given birth to her first healthy child, earns a steady income, and has been alcohol free for over two years.

BLOOMINGTON, MINNESOTA – Sharon's story is a classic case of turning one's life around after abusive relationships and bouts of homelessness. Sharon and her three young children narrowly escaped with little more than the clothes on their backs after prying the car keys out of the hand of an abusive boyfriend.

After spending time in a shelter, Sharon and her children found Cornerstone, a HUD-funded Minneapolis area transitional housing program. There she was free to admit that she had been a heroin addict and had also spent time in prison. Despite this very troubled background, she was determined to change her life and give her children a better future. While at Cornerstone, she started attending Hennepin County Technical College. Her goal was to become an electrician. Eventually, with the assistance of Cornerstone, she rented her own housing through HUD's Section 8 program sponsored by the Bloomington Housing and Redevelopment Authority.

Today, Sharon owns her own home, and is the first black female licensed electrician in the State of Minnesota. More importantly, she is now chemically free, has repaired her credit, and has acquired the skills to be a terrific parent. Is it any wonder that Oprah Winfrey had Sharon share her incredible story and how she achieved her latest goal of losing 75 pounds with a national television audience.

RACINE, WISCONSIN - Michele came into contact with the Bethany Apartments transitional housing program operated by Catherine Marian Housing after fleeing with her children from an abusive spouse who beat his son enough to require emergency room treatment. It was subsequently discovered that the son also was sexually abused by the father. She lived homeless for a time with a four year old son and

one year daughter before eventually joining the transitional housing program. She set goals for herself and children, attended support meetings, became legally separated and began dealing with issues of trust and anger.

She is pursuing an art degree at a community college, and has been on the dean's list every semester, receiving a 3.83 average in one semester. One of her paintings was exhibited in the college gallery, her children are thriving, she has a job and she has recently purchased a home and become engaged. Michele stated..."None of this would have happened without Bethany and the Sisters. They gave me back the confidence to overcome almost anything life can dish out. I consider myself blessed to have crossed their paths."

SHELTER PLUS CARE

- FACT SHEET -

PURPOSE: The purpose of the Shelter Plus Care program is to provide rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources other than this program. Assistance is targeted primarily to homeless persons with severe mental illness; chronic problems with alcohol, drugs, or both; or persons living with HIV/AIDS or related diseases.

PROGRAM OVERVIEW: The Shelter Plus Care program provides rental assistance through four components. Applicants may request assistance for any component or combination of components:

Tenant-based Rental Assistance (TRA) provides grants for rental assistance over a five-year period. Participants reside in housing of their choice, except that, where necessary to facilitate the coordination of supportive services, grant recipients may require participants to live in a specific area for their entire period of participation or in a specific structure for the first year and in a specific area for the remainder of their period of participation.

Sponsor-based Rental Assistance (SRA) provides grants for rental assistance through contracts with sponsor organizations over a five-year period. A sponsor may be a private, nonprofit organization or a community mental health agency established as a public nonprofit organization. Participants reside in housing owned or leased by the sponsor. Applicants must identify in their applications the nonprofit sponsor(s) and the housing site(s) to be provided.

Project-based Rental Assistance (PRA) provides grants for rental assistance, through contracts between the grant recipient and owners of existing structures, where the owners agree to lease the subsidized units to, or on behalf of participants. Rental subsidies are provided for a period of five or ten years. To be eligible for 10 years of rental subsidies, the owner must complete, at his or her expense, at least \$3,000 of rehabilitation for each unit (including the unit's prorated share of work to be accomplished on common areas or systems), to make the structure decent, safe and sanitary. The rehabilitation must be completed within 12 months of the date of the grant agreement.

The monthly rent per unit for TRA, SRA, and PRA components must be reasonable in comparison with rent for comparable units and HUD assistance may not exceed the difference between existing fair market rent (FMR) established by HUD for units of comparable size, minus the portion of the rent paid by the participant.

Single Room Occupancy for Homeless Individuals provides grants for rental assistance in connection with the moderate rehabilitation of SRO housing units. Resources to fund the cost of

rehabilitating the dwellings must be obtained from other sources. However, the rental assistance covers operating expenses of the rehabilitated SRO units, including debt service for rehabilitation financing, provided the monthly rental assistance per unit does not exceed the fair market rent established by HUD for a rehabilitated SRO unit. Assistance is available for ten years. No project may receive assistance for more than 100 units.

ELIGIBLE APPLICANTS: Eligible applicants are States, units of general government and public housing agencies (PHAs).

MATCHING REQUIREMENTS: Recipients must match the rental housing assistance with supportive services for the residents that are at least equal in value to the aggregate amount of rental assistance and are appropriate to the needs of the population to be served. The supportive services may be funded from any source other than this program, including Federal, state, local and private sources.

FY 99 Funding Level: \$152 million

SUPPORTIVE HOUSING PROGRAM

- FACT SHEET -

PURPOSE: The Program is designed to promote the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible.

PROGRAM OVERVIEW: The Supportive Housing Program funds may be used to provide:

- transitional housing designed to enable homeless persons and families to move to permanent housing within a 24-month period, which may include up to 6 months of follow-up services after residents move to permanent housing;
- permanent housing provided in conjunction with appropriate supportive services designed to maximize the ability of persons with disabilities to live as independently as possible within permanent housing;
- supportive housing that is, or is part of, a particularly innovative project for, or alternative methods of; meeting the immediate and long term needs of homeless individuals and families;
- supportive services for homeless individuals not provided in conjunction with supportive housing; or
- safe havens.

ELIGIBLE ACTIVITIES: There are six categories of eligible activities:

1. Acquisition of structures for use as supportive housing or in providing supportive services;
2. Rehabilitation of structures for use as supportive housing or in providing supportive services;
3. New construction of buildings for use as supportive housing under limited circumstances;
4. Leasing of structures for use as supportive housing or in providing supportive services;
5. Operating costs of supportive housing; and
6. Supportive services costs provided to homeless persons, such as job training, substance abuse counseling, child care, mental health treatment and case management.

The program provides grants for leasing costs, operating costs and the provision of supportive services for three years. Grants for operating costs are for up to 75 percent of total annual costs for the first two years of the grant, and up to 50 percent of those costs for the next year. The recipient must match the funding provided for acquisition, rehabilitation, and new construction with an equal amount of funds from other sources. Acquisition and rehabilitation funding is limited to \$200,000 (or up to \$400,000 in high cost areas) per structure. New construction funding is limited to \$400,000 per structure.

ELIGIBLE APPLICANTS: States, local governments, other governmental entities, private nonprofit organizations, and community mental health associations that are public nonprofit organizations are eligible to compete for grant funds through a national selection process.

FY 99 Funding Level: \$581 million

**SECTION 8 MODERATE REHABILITATION PROGRAM FOR SINGLE
ROOM OCCUPANCY (SRO) DWELLINGS FOR HOMELESS INDIVIDUALS**

- FACT SHEET -

PURPOSE: The purpose of the Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO) Dwellings for Homeless Individuals is to provide rental assistance on behalf of homeless individuals in connection with the moderate rehabilitation of SRO dwellings. Owners must obtain resources to fund the cost of rehabilitating the dwellings from other sources. However, HUD's rental assistance covers operating expenses of the SRO housing, including debt service for rehabilitation financing, provided the monthly rental assistance per unit does not exceed the moderate rehabilitation fair market rent for an SRO unit, as established by HUD.

ELIGIBLE APPLICANTS: Public housing authorities (PHAs) and private non-profit organizations are eligible applicants. Private nonprofit organizations must subcontract with a PHA to administer the SRO assistance. At such time as a system is in place to allow nonprofit applicants to administer the assistance, a subcontract will no longer be required.

ELIGIBLE ACTIVITIES: Assistance may only be used for rental assistance and for administering the rental assistance. The assistance will be available for 10 years. A unit to be assisted must need a minimum expenditure of \$3,000 of eligible rehabilitation, including the units pro-rated share of work to be accomplished on common areas.

FY 99 Funding Level: \$17 million

CONTINUUM OF CARE
Examples of Projects Being Awarded in 1999

Families

Project Name: Proyecto La Luz
Location: Albuquerque, New Mexico
Contact: Greg Kepferle, (505) 247-9521, ext. 104

Summary:
Proyecto La Luz provides supportive services to homeless women with children. This renewal will continue to serve this population.

Description:
The La Luz project is comprehensive, providing housing assistance, case management, counseling/mental health services, literacy training, parent education with child development, pre-vocational training, job placement, money management, time management and preparation for transition to permanent housing. The project focuses on serving women with low levels of literacy, low levels of education, and limited English proficiency who require additional support to move toward employability.

Persons with Mental Illness

Project Name: Safe Haven at the "Y"
Location: Tulsa, Oklahoma
Contact: Mike Brose, (918) 585-1213

Summary:
Safe Haven at the "Y" provides housing and care in a highly supportive environment for the hard to reach severely mentally ill and drug-dependent homeless individuals. This renewal will continue to serve this population.

Description:
This project operates on the principle of low demand with high expectation of the individuals ability to ultimately become self-sufficient. It encourages residents to accept increasing levels of housing and care. The Safe Haven occupies part of the third floor of the resident building of the downtown YMCA. Case managers and treatment teams assist the participants in developing an individual housing and care plan which is reviewed every 30 days and adjusted accordingly. Types of services provided are case management, mental health treatment, crisis

intervention, food, clothing, medication monitoring and life skills training.

Veterans

Project Name: New Directions Regional Home for Homeless Veterans

Location: Los Angeles, California

Contact: Toni Reinis, (310) 914-4045

Summary:

The New Directions Regional Home for Homeless Veterans provides transitional housing and supportive services for homeless veterans who are substance abusers and mentally ill. This renewal project will continue to serve this population, providing Los Angeles County with a regional facility devoted to homeless veterans and their needs.

Description:

In a single, coordinated setting, New Directions provides detoxification, free long-term transitional housing, food, clothing, life skills training, parenting classes, substance abuse treatment, professional and peer counseling, legal services and health care. Because of the poor employment prospects of its clients and the very poor prospects of staying clean and sober if one is not earning livable wages, New Directions also has a collaboration of five agencies that provide comprehensive employment services at its regional center – everything from remedial education, professional job training, on-the-job training, job preparation and placement, to job retention work. The goal of the program is to help veterans help themselves and to encourage self-determination. Each veteran's service plan is developed by the client, the case manager, the peer group, the remedial education and employment specialist, and the clinical psychologist, based on the needs of the client.

Job Training and Development

Project Name: CFH Landscape Services Employment Program

Location: South Bend, Indiana

Contact: Shannon Cullinan, (219) 282-8700

Summary:

The CFH Landscape Services Employment Program is a fully functioning micro-enterprise that trains and employs homeless people to work by providing commercial landscaping services to paying customers. This renewal project will enable the micro-enterprise to expand to train more

people as well as give the project sponsor, Center for the Homeless, the opportunity to start a new venture such as a commercial cleaning enterprise.

Description:

The CFH Landscape Services Employment Program is a job training and employment readiness program targeting homeless adults. This program allows homeless participants a chance to work in a supportive work environment and develop their job skills, while still receiving treatment for addictions, counseling, and other supportive services. Trainees operated a commercial landscape enterprise from April until October of 1998 and extended their services to include a snow-removal program throughout the winter. In 1999, the customer list has tripled, the size of the work crew has doubled and customers are pleased with the work of the trainees. Upon completion of the Landscape Services Employment Program, trainees pursue full-time employment opportunities with outside employers through job placement services provided by this project's sponsor. This renewal funding will allow for the expansion of the landscaping training to an additional number of homeless persons and the addition of a Job Readiness/Leadership Training component to the current program. Through the CFH Landscape Services Employment Program, participants transition into full-time employment and permanent housing while staying connected to the continuum of care which increases the chance participants will achieve self-sufficiency.

Birth is a beginning
And death a destination.
And life is a journey:
From childhood to maturity
And youth to age;
From innocence to awareness
And ignorance to knowing;
From foolishness to discretion
 And then, perhaps, to wisdom;
From weakness to strength
Or strength to weakness—
 And, often, back again;
From health to sickness
 And back, we pray, to health again;
From offense to forgiveness,
From loneliness to love,
From joy to gratitude,
From pain to compassion,
And grief to understanding—
 From fear to faith;
From defeat to defeat to defeat—
Until, looking backward or ahead,
We see that victory lies
Not at some high place along the way,
But in having made the journey, stage by stage,
 A sacred pilgrimage.
Birth is a beginning

And death a destination.
And life is a journey,
A sacred pilgrimage—
 To life everlasting.

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Draft 12/22/99 6:30 pm
Heather Hurlburt

**PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS
THE WHITE HOUSE
WASHINGTON, DC
December 23, 1999**

Good morning. Hillary, Chelsea and I join millions of American families celebrating Christmas today. For Americans of many faiths this is a season of renewal: of light returned from darkness, and despair transformed to hope. And as the year ends, and this millennium draws to a close, we all have a chance to reflect on our lives, and rejoice in our blessings.

On this holiday morning, I know many of us are thankful for the love of family and friends, and the richness of the world around us. We are grateful for the advances in science and medicine that are letting us live longer, healthier lives.

We enjoy freedom at home, and peace with our neighbors; and we are a leader for peace and liberty around the world – from Bosnia and Kosovo to Northern Ireland and the Middle East. And we are thankful for the sacrifices of America's men and women in uniform, especially those who cannot be with their families as they stand on the front lines of freedom, far from home.

Most of all, we are blessed by the millions of Americans who take time out from the holiday season, and all year round, to remember those in need, sickness, or trouble.

In the spirit of the season, Americans are reaching out to the victims of disaster, like our neighbors in Venezuela, where floods and landslides have killed thousands and left tens of thousands homeless this Christmas. I am proud that the United States is leading the international relief effort there – and that so many Americans are donating food, clothes and medicine for the survivors.

Here at home, we are reaching out to the poor – to those who are not yet sharing in America's growing prosperity. We are making new efforts to reach out to those who are homeless – to help them find housing, medical care and jobs. Today I am happy to announce that we will be providing nearly \$1 billion in new federal grants for housing and social services to help the homeless in all 50 states, the District of Columbia and Puerto Rico. That's a Christmas gift we can all be proud of.

I want to end my talk today with a Christmas story. A few days ago, I helped prepare holiday meals at the D.C. Central Kitchen, a community kitchen that prepares 3,000 meals a day for the homeless and hungry – and trains people to work in food services, hold down jobs, and turn their lives around. I worked with a man named Steve Pritchett. As a young man, Steve had a scholarship for college and his future looked bright. But he made some mistakes, and as a result, he has been homeless for much of his adult life. At Christmastime, he might go see his

mother for a day – but if it was cold, you'd most likely find Steve spending Christmas under a bus shelter or beside a steam grate.

This year, Steve found the D.C. Central Kitchen – and discovered that it's never too late to change. He's been in their training program for two months – and already been offered a job. He's clean and off the streets. Best of all, his mother – who never gave up on her son – is so proud. She told him, "Steve, you don't have to be a doctor or a lawyer. I just want to know that when I close my eyes, you'll be able to stand on your own two feet." They're together today – celebrating Christmas.

D.C. Central Kitchen had the help of 5,000 volunteers this year – and each one of them deserves a little credit for the success of Steve and others like him. That is America at its best –when neighbor helps to lift up neighbor, and together we shine a light in the darkness. That is also the spirit of Christmas.

Let us all resolve to take this spirit with us into the new millennium. We will be better people and a stronger nation for it.

Happy holidays – and thanks for listening.