

(iii) cannot be served by a federal or more cost effective State housing assistance program; and

(iv) are capable of maintaining independent living quarters; or

(2) Eligible households with critical and emergency housing needs that cannot be served by a federal or more cost effective State housing assistance program.

(d) The pilot program shall be administered by the Department in conjunction with local political subdivisions or through their housing agencies or departments except as provided in subsection (e)(2), and in consultation with the Department of Human Resources.

(e) (1) Housing allowance grants will be awarded to political subdivisions taking into account:

(i) The number of eligible households in a jurisdiction;

(ii) The availability of suitable housing stock in the jurisdiction for the target population the political subdivision proposes to serve;

(iii) The political subdivision's willingness to contribute administrative costs; and

(iv) Other factors the Department deems relevant.

(2) The Department may retain up to 25 percent of the funds provided for this program for housing allowances to eligible households on a statewide basis including allowances for critical emergency housing needs.

(f) On or before December 1, 1987 the Secretary of Economic and Community Development shall report to the Governor and to the appropriate standing fiscal committees on the effectiveness of the pilot program. The report shall evaluate the pilot program and include the number, type, and income levels of persons served, and any recommendations for modifying, eliminating, or expanding the program.