

PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
2008 Summary Statement and Initiatives
(Dollars in Thousands)

TENANT-BASED RENTAL ASSISTANCE	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2006 Appropriation	\$15,573,656	\$119,448 ^a	-\$1,172,415 ^b	\$14,520,689	\$13,796,790	\$12,965,803
2007 Full-Year CR Estimate.....	15,080,930 ^c	723,898	...	15,804,828	15,804,828	15,322,000
2008 Request	<u>16,000,000</u>	<u>...</u>	<u>...</u>	<u>16,000,000</u>	<u>16,000,000</u>	<u>15,987,000</u>
Program Improvements/Offsets	+919,070	-723,898	...	+195,172	+195,172	+665,000

a/ Includes \$32.5 million in funds recovered during fiscal year 2006.

b/ Net of \$155.7 million for the across-the-board rescission, \$1.4 billion for 2006 Departmental rescission, and \$390.3 million supplemental for Disaster Assistance in fiscal year 2006.

c/ The President's 2007 budget requested \$15,920,000,000.

Summary Statement

The Section 8 Tenant-Based Rental Assistance program is the Federal Government's foremost program for assisting low-income families to rent decent, safe, and sanitary housing in the private market. Because the rental assistance is provided on behalf of the family or individual, participants are able to find and lease privately owned housing and are not limited to units located in subsidized housing projects. Based on an assessment of the program, this is one of the Department's and the Federal Government's most effective programs. This program has been recognized as a cost-effective means for delivering decent, safe, and sanitary housing to low-income families. The Department plans to further improve this program by focusing on performance outcomes—such as the percent of program participants who transition from public rental assistance and achieve self-sufficiency.

The Department requests a total of \$16 billion for Tenant-Based Rental Assistance in 2008. This request is a \$919 million increase from a full-year continuing resolution estimate. Furthermore, this request represents a small increase of \$80 million from the 2007 President's budget request of \$15.92 billion. The increase is primarily attributable to the renewal of first-time expiring tenant protection vouchers, as well as a small inflationary adjustment necessary to maintain the value of a Section 8 voucher. This request is essential for the Department to sustain a consistent level of program funding, and help Public Housing Authorities (PHAs) adapt to the budget-based funding approach.

Of the total amount requested, the Department requires \$14.44 billion to cover the renewal of expiring tenant-based Section 8 contracts in calendar year 2008. Furthermore, the Department requests \$100 million in contract renewal funds for the Secretary to provide funding adjustments for unforeseen exigencies, including for PHAs located in Presidentially declared disaster areas. The Department requests \$1.35 billion for administrative fees for tenant-based renewals and tenant protection units, with a set-aside of up to \$5 million for a PHA bonus fund to encourage PHA consolidation. In addition, the Department requests \$150 million for tenant protection units, \$48 million for Family Self-Sufficiency (FSS) program coordinators, and \$6.5 million for the Working Capital Fund.

Tenant-Based Rental Assistance

Initiatives

The Tenant-Based Rental Assistance program (also known as the Housing Choice Voucher Program) provides approximately 2 million families with subsidies to afford housing in the private market. Congress and the Administration have implemented a number of policy changes over the past several years to assist the most needy families and encourage Public Housing Authorities (PHAs) to spend their allotted funds. For example, the Voucher program no longer funds a set number of units, but appropriates funds to PHAs on a budget-based system making them more accountable in managing their budgets.

The budget proposes legislative changes that would: 1) provide incentives for PHAs to spend their funds to maximize assistance; 2) maximize appropriated funds by changing the way funds are allocated to PHAs; and 3) factor unused funds into future allocations. First, the Administration proposes to require administrative fees to be distributed according to the number of families housed. Currently, PHAs receive a flat amount per year for administrative costs based on a distribution that does not provide an incentive to increase the number of families served. Second, the budget proposes eliminating the cap on the number of families that each PHA can assist, thereby unlocking funds at PHAs that are unable to spend funds beyond their authorized number of units. A new funding allocation formula for PHAs would follow elimination of the cap, and would be based on the level of spending by PHAs over the most recent year. Current funding is based on the higher of a 3-month snapshot of PHA's expenditures from summer 2004 or full-year expenditures in fiscal year 2004, which distributes funds across the 2,400 PHAs that administer Vouchers. Third, the budget proposes to identify and adjust for unspent prior year balances from PHAs. PHAs that end a year with significant unspent balances, despite having been given the opportunity to draw down such balances by providing housing for additional low-income families, would have their funds for the next year reduced. At the end of fiscal year 2006, over \$1 billion in balances remained in PHA accounts, of which more than half represents balances that could not be spent due to the current cap on the number of units. In addition, in order to encourage the consolidation of small PHAs, a bonus administrative fee will be offered to PHAs that participate in this streamlining effort. Legislation to implement the Administration's reform proposal will be submitted to Congress early in 2007.

Tenant-Based Rental Assistance

PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Contract Renewals	\$12,714,882	\$33,044	\$12,747,926	\$12,403,548	\$13,690,881	\$344,377	\$14,035,258	\$14,444,506
Administrative Fees ...	1,064,500	3,842	1,068,342	1,023,210	1,197,940	45,132	1,243,072	1,351,000
Section 8 Rental								
Assistance	178,199	36,930	215,129	138,768	138,768	76,361	215,129	150,000
FSS Coordinators	47,520	45,632	93,152	93,126	47,500	26	47,526	48,000
Working Capital Fund ..	5,841	...	5,841	5,841	5,841	...	5,841	6,494
Disaster Recovery	<u>390,299</u>	<u>...</u>	<u>390,299</u>	<u>132,297</u>	<u>...</u>	<u>258,002</u>	<u>258,002</u>	<u>...</u>
Total	14,401,241	119,448	14,520,689	13,796,790	15,080,930	723,898	15,804,828	16,000,000

<u>FTE</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Headquarters	378	391	293
Field	<u>408</u>	<u>421</u>	<u>188</u>
Total	786	812	481

NOTE: The decrease in FTE for Tenant-Based Rental Assistance relates to the Department's emphasis on the implementation of asset management. Efforts to promote homeownership opportunities and provide affordable housing opportunities will remain an integral part of the Department's Tenant-Based Rental Assistance Fund. The Department's proposed legislative initiatives will simplify requirements, provide flexibility to localities and maximize the effective utilization of funds. The FTE reduction in the Voucher Program allows the transition of resources to support the implementation of asset management.

Tenant-Based Rental Assistance

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Contract Renewals	<u>Amount</u>
2006 Appropriation	\$12,714,882
2007 Full-Year CR Estimate.....	13,690,881
2008 Request	<u>14,444,506</u>
Program Improvements/Offsets	+753,625

NOTE: The President's budget requested \$14,436,200,000 for fiscal year 2007.

Proposed Actions

Contract Renewals provide funding to renew expiring Section 8 tenant-based rental assistance contracts on a calendar-year basis. All contracts are proposed for a renewal term of 1 year. For fiscal year 2008, the Department requests \$14.44 million in Contract Renewals funding. This requested amount is essential for the Department to sustain a steady level of program funding, and help PHAs adapt to the budget-based funding approach. The Department will also utilize these funds for the renewal of first-time expiring tenant protection vouchers, as well as a small inflationary adjustment (consistent with the OMB inflation factor) necessary to maintain the value of a Section 8 voucher.

Out of the \$14.44 billion of Housing Assistance Payments request, the Department requests \$100 million as a set-aside central reserve to provide baseline adjustment funding as needed to certain PHAs. This includes PHAs with project-based and HOPE VI projects that were not included in current baseline. The 2005 Appropriations based the renewals on units leased as of a snapshot from May, June and July of 2004, and PHAs who had projects that were not ready for occupancy were left without budget authority to cover the units. Many of these projects are ready for occupancy, and a portion of the \$100 million set-aside will provide funding to cover the units. In addition, adjustments may be made from the set-aside for increased costs to PHAs located in previously Presidentially declared disaster areas. These adjustments would hold the disaster agency harmless due to changing market conditions such that these PHAs would be able to maintain their pre-disaster leasing levels.

Tenant-Based Rental Assistance

PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)

Administrative Fees	<u>Amount</u>
2006 Appropriation	\$1,064,500
2007 Full-Year CR Estimate.....	1,197,940
2008 Request	<u>1,351,000</u>
Program Improvements/Offsets	+153,060

NOTE: The President's budget requested \$1,281,100,000 for fiscal year 2007.

Proposed Actions

Administrative Fees are a vital component of the Tenant-Based Rental Assistance program. This program component provides PHAs with the resources necessary to administer housing vouchers. Approving units, evaluating tenant eligibility, and reviewing applications is a personnel intensive process. These resources are necessary to maintain a quality level of service, and ensure that the right benefits are going to the right people.

The Department requests \$1.35 billion for Administrative Fees in fiscal year 2008. This request is necessary to maintain a similar ratio of Administrative Fees to housing assistance payment (contract renewals plus tenant protection vouchers) as was requested in fiscal year 2007. Funds will be distributed based on the number of families assisted by each PHA in order to encourage assisting more families. In addition, the Department requests that up to \$35 million of administrative fees be set aside for PHAs with increased administrative expenses during fiscal year 2008. This includes expenses resulting from tenant protection units and homeownership vouchers. Also, the Department requests that up to \$5 million be made available to the Secretary for a PHA consolidation bonus fund. Through this bonus fund, the Department will encourage small PHAs to consolidate with larger PHAs. Consolidation will increase the overall efficiency of program administration.

Tenant-Based Rental Assistance

PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)

Section 8 Rental Assistance	<u>Amount</u>
2006 Appropriation	\$178,199
2007 Full-Year CR Estimate.....	138,768
2008 Request	<u>150,000</u>
Program Improvements/Offsets	+11,232

NOTE: The President's budget requested \$149,300,000 for fiscal year 2007.

Proposed Actions

The Department proposes \$150 million in new budget authority for Section 8 Rental Assistance in 2008. This request represents an \$11 million increase from the 2007 estimated appropriation amount, which is based on a full-year continuing resolution. Furthermore, this is a minor increase (\$700,000) from the President's 2007 budget amount. This request is necessary to provide housing for previous HUD assisted families who are displaced through no fault of their own. These funds will provide tenant-based rental assistance for the relocation of residents affected by Property Disposition, Opt-Out/Termination, portfolio re-engineering, preservation prepayment, replacement/relocation vouchers for Section 202 Mandatory Conversion, project-based moderate rehabilitation, project-based moderate rehabilitation Single Room Occupancy (SRO), HOPE VI, Mandatory and Voluntary Conversions, and Section 33 of the U.S. Housing Act of 1937, as amended. A portion of the funds may also be used for the Family Unification Program, witness relocation, conversion of Section 23 projects to Section 8 assistance and other types of project-based rental assistance to Section 8 assistance.

This request reflects the Department's expectations that Section 8 Rental Assistance needs will increase due to the implementation of the Mandatory Conversion rule--which will lead to the termination of assistance for some public housing units. In addition, the HOPE VI Program will likely not have the resources to fund tenant protection vouchers for families displaced by future HOPE VI demolitions. Therefore, HOPE VI tenant protection vouchers are included in this request. The Department plans to address additional program needs as necessary through the utilization of unobligated Section 8 balances, including carryover and recaptures.

Tenant-Based Rental Assistance

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

FSS Coordinators	<u>Amount</u>
2006 Appropriation	\$47,520
2007 Full-Year CR Estimate.....	47,500
2008 Request	<u>48,000</u>
Program Improvements/Offsets	+500

Proposed Actions

The Family Self-Sufficiency (FSS) program supports the Department's strategic goal to help HUD-assisted renters make progress towards self-sufficiency. The program provides critical tools that support welfare reform, achieve employment goals, accumulate assets, and receive training and counseling that will enable them to succeed as homeowners. FSS Coordinators assure that program participants are linked to the supportive services needed to become self-sufficient. In fiscal year 2006, approximately 55 percent of families enrolled in the Housing Choice Voucher FSS program for at least 1 year reported an increase in earned income since their enrollment in the FSS program. With the \$48 million requested in fiscal year 2008, the Department expects to maintain the 1,020 coordinator positions that were awarded to 617 PHAs in fiscal year 2006.

Family Self-Sufficiency Program Activity Fiscal Years 2004 - 2008

	<u>2004</u>	<u>2005</u>	<u>2006 (actual)</u>	<u>2007 (estimate)</u>	<u>2008 (estimate)</u>
Number of FSS Coordinators funded	1,043	992	1,020	1,020	1,020
Number of participating PHAs funded	591	578	617	617	617

Tenant-Based Rental Assistance

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Program Offsets
(Dollars in Thousands)

Disaster Recovery	<u>Amount</u>
2006 Appropriation	\$390,299
2007 Full-Year CR Estimate.....	...
2008 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

In December 2005, HUD received \$390 million supplemental funding from Congress to transition families being assisted under the Katrina Disaster Housing Assistance Program to the Disaster Voucher Program. The Disaster Voucher Program provides for the continuation of temporary rental assistance for HUD-assisted families and special needs/homeless families displaced as a result of Hurricanes Katrina and Rita. In fiscal year 2006, over 21,000 families received disaster voucher assistance. In fiscal year 2007, the Department plans to assist 22,000 families. In fiscal year 2008, for PHAs located in Presidentially declared disaster areas, the Secretary may provide funding adjustments to properly reflect increased costs and decreased leasing levels resulting from the disaster. The Department is not requesting additional funds for the Disaster Voucher Program in 2008.

Tenant-Based Rental Assistance

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Program Offsets
(Dollars in Thousands)

Working Capital Fund	<u>Amount</u>
2006 Appropriation	\$5,841
2007 Full-Year CR Estimate.....	5,841
2008 Request	<u>6,494</u>
Program Improvements/Offsets	+653

Proposed Actions

The Working Capital Fund provides resources for the Department to maintain and improve the various computer systems necessary to run the Tenant-Based Rental Assistance program. These computer systems improve the efficient delivery of this program, and help ensure the right benefits are distributed to the right people. This Working Capital Fund is increasingly necessary as this program becomes ever more reliant on computer systems for tenant income verification and resource allocation. Moreover, with a shrinking pool of HUD Headquarter and Field FTEs, these systems are necessary to allow fewer FTEs to effectively manage the Department's largest program.

The Department is proposing \$6.5 million for the Working Capital Fund. Items and activities to be funded include:

Customer Assistance Sub-System (CASS)	\$265,440
Financial Assessment Sub-System (FASS/PH)	662,400
Web Access Security Sub-System (WASS)	163,200
Development Coordination Group (DCG)	472,500
Inventory Management	649,600
Resource Allocation	2,236,000
Oversight and Monitoring	953,800
Enterprise Income Verification	<u>1,090,593</u>
TOTAL	6,494,533

Public and Indian Housing Information Technology provides a secure, scalable system for HUD staff and their business partners to collect and review information about the voucher program managed by HUD. Continuous maintenance and enhancement of these systems is key to the effective administration of the Department's public housing programs. These systems help facilitate real-time updates of program and financial data, and generate reports to proactively manage voucher programs. In previous fiscal years, functions associated with Inventory Management were included in Public and Indian Housing Information Center enhancements and maintenance. Responding to the Enterprise Architecture Blueprint, all Public and Indian Housing and Real Estate Assessment Center systems have now been reorganized into four functions: Inventory Management, Resource (Subsidy) Allocation, Enterprise Income Verification, and Oversight and Monitoring. Future development efforts will be guided by these key functions, which are based on the Rental Housing Assistance Blueprint.

Tenant-Based Rental Assistance

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Performance Measurement Table**

Program Name: TENANT-BASED RENTAL ASSISTANCE					
Program Mission: Tenant-Based Rental Assistance is the Federal Government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
Increase the cumulative homeownership closings under the homeownership option of the Housing Choice Voucher program to 10,000 at the end of fiscal year 2008.	PIH Information Center; Form 50058	6,000	7,528	8,000	10,000
By fiscal year 2008, increase the proportion of those who transition from HUD's public housing and Housing Choice Voucher programs by 20 percent and decrease the proportion of active participants who have been in HUD's housing assistance programs for 10 years or more by 10 percent.	PIH Information Center	Increase by 20 percent: 12.4 percent Decrease by 10 percent: 19.3 percent	Increase by 20 percent: 12.6 percent Decrease by 10 percent: 20.9 percent	Increase by 20 percent: 11.1 percent Decrease by 10 percent: 19.0 percent	Increase by 20 percent: 13.3 percent Decrease by 10 percent: 18.5 percent
The incidence of program errors and improper payments in HUD's rental housing assistance programs will be reduced.	PD&R	Improper payments: no more than 5 percent of total payments	Results not available due to 1-year reporting lag	Improper payments: no more than 3 percent of total payments	Improper payments: no more than 2.5 percent of total payments
PHAs will submit accurate tenant characteristics data on 95 percent of the households in accordance with established time frames and 95 percent of the required financial statements on a timely basis.	PIH Information Center; Form 50058	Tenant Characteristics: 95% Financial Statements: 95%	Tenant Characteristics: 96.8% Financial Statements: 90.6%	Achieve 95 percent reporting rate	Achieve 95 percent reporting rate

Tenant-Based Rental Assistance

Explanation of Indicators

Indicator: The number of households who have used Housing Choice Vouchers to become homeowners increases to 10,000 by the end of 2008.

This indicator tracks the annual number of homeowners assisted with voucher funds. The fiscal year 2008 goal is to increase the cumulative number of homeownership closings to 10,000 households. Increasing homeownership among low-income and minority households is one of the Department's most important initiatives. The homeownership option under the Housing Choice/Housing Certificate Fund Voucher program helps accomplish this objective by allowing PHAs to provide voucher assistance to low-income first-time homebuyers for monthly homeownership expenses rather than for monthly rental payments, the most typical use of voucher assistance. This subsidy can also be used for eligible expenses such as principal and interest on the mortgage debt, real estate taxes and insurance, PHA established allowances for utilities, routine maintenance, and major repairs and replacements, thereby making homeownership affordable, while providing an incentive to participate.

As of fiscal year 2006, 7,528 households have become homeowners through homeownership vouchers. Although the Department plans to significantly expand homeownership voucher utilization in fiscal year 2007 through the use of an administrative fee incentive, the actual increase achieved will continue to be affected by several factors, including PHA capacity, availability of financing for first-time low- and moderate-income homebuyers, availability of administrative fee incentives, market forces, and interest rates. The Department intends to meet performance targets in fiscal years 2007 and 2008.

Indicator: By fiscal year 2008, increase the proportion of those who transition from HUD's public housing and Housing Choice Voucher programs by 20 percent and decrease the proportion of active participants who have been in HUD's housing assistance programs for 10 years or more by 10 percent.

HUD's public and assisted housing programs provide low-income families with temporary, transitional housing and provide an opportunity for families to gain housing self-sufficiency. This goal emphasizes the movement of families to adequate shelter of their own, which allows HUD to serve more families in need of housing assistance. The objective of this indicator is to improve the annual transition proportion from the fiscal year 2003 baseline of 11.1 percent to at least 13.3 percent by fiscal year 2008, and reduce the proportion of households who have been in HUD's public housing and Housing Choice Voucher programs for 10 years or more from 20.6 percent in fiscal year 2003 to 18.5 percent or less by fiscal year 2008. This reflects the Department's broader outcome goal of promoting housing self-sufficiency.

At the end of fiscal year 2006, 12.6 percent of program participants were able to leave subsidized rental housing--this is above the interim target of 12.4 percent, and significantly above the 2003 baseline of 11.1 percent. However, during this period, HUD found 20.9 percent of active program participants had been in the program for 10 years or more--this is a slight increase from fiscal year 2005. The Department plans to propose policy changes in 2007, which emphasize PHA flexibility in establishing resident housing self-sufficiency. With the help of these changes, the Department expects to meet or exceed interim and final performance goals for 2007 and 2008.

Indicator: The high incidence of program errors and improper payments in HUD's rental housing assistance programs will be reduced.

The Improper Payments Information Act of 2002 requires Federal agencies to assess improper payment risks and to measure and report on programs and activities that may be susceptible to improper payments. HUD has addressed eliminating improper payments in its Strategic Plan and Annual Performance Plan. President Bush further deemed that, because of the significance of this issue, it should be included as an initiative on the President's Management Agenda for HUD.

Tenant-Based Rental Assistance

Because of a 1-year lag in reporting, fiscal year 2006 data is not yet available. However, based on a recent study of fiscal year 2005 program activity, HUD significantly exceeded all Improper Payment reduction goals with an estimated 60 percent reduction in gross improper payments since 2001. Moreover, HUD has proven to be a leader amongst Federal agencies in reducing improper payments--receiving a top rating of "green" with regards to the President's Management Agenda. HUD plans to build on this success by reducing improper payment to no more than 5 percent of total payments by fiscal year 2006, 3 percent of total payments by fiscal year 2007, and 2.5 percent of total payments by fiscal year 2008.

HUD has accomplished this success by providing better guidance, outreach and training to program administrators, tenant beneficiaries, and HUD monitoring staff. Moreover, the Department implemented the Rental Housing Integrity Improvement Project (RHIIP) to address the improper payments issue and the associated high program risks and material internal control weaknesses identified by the Government Accountability Office and HUD Inspector General. The overall purpose of RHIIP is to ensure that the "right benefits go to the right persons," thus enabling HUD's limited program funding to correctly serve as many eligible low-income households as possible. Core components of this multi-faceted strategy include more aggressive monitoring and quality control, additional education, guidance, and training for HUD field staff and Public Housing Agencies (PHAs), and simplifying program requirements. In addition, HUD is taking advantage of computer systems that automate and centralize information. Among these systems is the Enterprise Income Verification System, which shares state wage and unemployment information for tenant income verification. To accomplish fiscal 2008 goals, the Department plans to continue its computer matching programs to deal with tenant under reporting of income, Rental Integrity Monitoring reviews to identify deficiencies in PHAs' income and rent calculations and implementation of corrective action plans to address deficiencies, and continue providing training and technical assistance to PHAs.

Indicator: PHAs will submit accurate tenant characteristics data on 95 percent of the households in accordance with established time frames and 95 percent of the required financial statements on a timely basis.

Accurate and timely information about the households participating in HUD's housing programs are necessary to allow HUD to monitor the effectiveness of the programs, assess agency compliance with regulations, and analyze the impacts of proposed program changes. Several outcome indicators in the Annual Performance Plan use data about public housing or voucher households that housing agencies submit via the Inventory Management System. This system provides the primary source of data on participation in these programs, and the HUD field staff uses the data to monitor housing agencies. In addition, the level of reporting is a criterion for various program policies for public housing and voucher initiatives, including the Section Eight Management Assessment Program evaluation systems for PHAs. The timely filing of financial statements, required by HUD policies, provides oversight of the financial health of HUD's program participants to insure the HUD resources are being effectively used.

HUD successfully achieved half of this goal with a combined 96.8 percent national tenant characteristic reporting rate. However, HUD missed the goal for financial statements with a combined 90.6 percent reporting rate. With the help of new program sanctions, the Department expects to meet or exceed PHA reporting goals for 2007 and 2008.

Tenant-Based Rental Assistance

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Justifications of Proposed Changes in Appropriations Language**

The 2008 proposed appropriations language:

**TENANT-BASED RENTAL ASSISTANCE
(INCLUDING TRANSFER OF FUNDS)**

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ('the Act' herein), not otherwise provided for, \$16,000,000,000, to remain available until expended, of which \$11,800,000,000 shall be available on October 1, 2007 and \$4,200,000,000 shall be available on October 1, 2008: Provided, That the amounts made available under this heading are provided as follows:

- (1) \$14,444,506,000 for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act): Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph, the Secretary for the calendar year 2008 funding cycle shall provide renewal funding for each public housing agency based on the amount public housing agencies were eligible to receive in calendar year 2007 unless a change is made to section 8(o) of the Act, and by applying the 2008 Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with deposits to Family Self-Sufficiency Program escrow accounts or the first-time renewal of tenant protection or HOPE VI vouchers: Provided further, That the Secretary shall, to the extent necessary to stay within the amount provided under this paragraph, pro rate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided further, That public housing agencies participating in the Moving to Work demonstration shall be funded pursuant to their Moving to Work agreements and shall be subject to the same pro rata adjustments under the previous proviso: Provided further, That up to \$100,000,000 shall be available for additional rental subsidy due to unforeseen exigencies as determined by the Secretary and for the one-time funding of housing assistance payments resulting from the portability provisions of the housing choice voucher program;*
- (2) \$150,000,000 for section 8 rental assistance for relocation and replacement of housing units under lease that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134), conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, HOPE VI vouchers, mandatory and voluntary conversions, and tenant protection assistance, including replacement and relocation assistance: Provided, That additional section 8 tenant protection rental assistance costs may be funded in 2008 by utilizing unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading "Annual Contributions for Assisted Housing", the heading "Housing Certificate Fund", and the heading "Project-based rental assistance", for fiscal year 2007 and prior years;*
- (3) \$48,000,000 for family self-sufficiency coordinators under section 23 of the Act;*
- (4) \$6,494,000 shall be transferred to the Working Capital Fund; and*

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- (5) *\$1,351,000,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$5,000,000 shall be available as an incentive bonus for administrative expenses for PHAs that voluntarily consolidate, and of which up to \$35,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, with up to \$30,000,000 to be for fees associated with section 8 tenant protection rental assistance: Provided, That no less than \$1,311,000,000 of the amount provided in this paragraph shall be allocated for the calendar year 2008 to public housing agencies based on a formula tied to the number of assisted households, as determined by the Secretary: Provided further, That all amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities.*

Tenant-Based Rental Assistance

PUBLIC AND INDIAN HOUSING
 TENANT-BASED RENTAL ASSISTANCE
 Crosswalk of 2006 Availability
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Contract Renewals	\$14,089,756	-\$1,374,874	...	...	\$33,044 ^a	\$12,747,926
Administrative Fees	1,250,000	-185,500	...	...	3,842	1,068,342
Section 8 Rental Assistance	180,000	-1,801	...	...	36,930	215,129
FSS Coordinators	48,000	-480	...	...	45,632	93,152
Working Capital Fund	5,900	-59	...	...	...	5,841
Disaster Recovery .....	...	<u>390,299</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>390,299</u>
Total	15,573,656	-1,172,415	119,448	14,520,689

a/ Includes \$32.5 million in funds recovered during fiscal year 2006.

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PUBLIC AND INDIAN HOUSING
 TENANT-BASED RENTAL ASSISTANCE
 Crosswalk of 2007 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2007 President's Budget Request</u>	<u>FY 2007 CR Estimate</u>	<u>2007 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2007 Resources</u>
Contract Renewals	\$14,436,200	\$13,690,881	...	...	\$344,377	\$14,035,258
Administrative Fees	1,281,100	1,197,940	...	...	45,132	1,243,072
Section 8 Rental Assistance	149,300	138,768	...	...	76,361	215,129
FSS Coordinators	47,500	47,500	...	...	26	47,526
Working Capital Fund	5,900	5,841	...	...	...	5,841
Disaster Recovery .....	...	...	...	...	<u>258,002</u>	<u>258,002</u>
Total	15,920,000	15,080,930	...	...	723,898	15,804,828

Tenant-Based Rental Assistance

**Tenant-Based Rental Assistance
FY 2006 Estimated Program Activity**

	<u>Units</u>	<u>Per Unit Cost</u>	<u>Obligations</u>
FY 2006:			
Tenant Protections	25,781	NA	\$138,768,232
Administrative Fee	NA	NA	1,023,210,021
Family Self-Sufficiency Coordinators	NA	NA	93,126,003
Working Capital Fund	NA	NA	5,841,000
Voucher Contract Renewals	NA	NA	12,403,547,878
Disaster Recovery	NA	NA	132,296,990
Total, fiscal year 2006 Estimated Obligations	25,781	NA	13,796,790,124
Total fiscal year 2006 Tenant-Based Rental Assistance Estimated Unobligated Funds:			723,898,892 a/

a/ Includes \$32.5 million in funds recovered during fiscal year 2006.

NA=Not Applicable.

**Tenant-Based Rental Assistance
FY 2007 President's Budget**

	<u>Units</u>	<u>Per Unit Cost</u>	<u>Budget Authority</u>
FY 2007:			
Tenant Protections	20,922	\$7,136	\$149,300,000
Administrative Fee	NA	NA	1,281,100,000
Family Self-Sufficiency Coordinators	NA	NA	47,500,000
Working Capital Fund	NA	NA	5,900,000
Voucher Contract Renewals	NA	NA	14,436,200,000
Total, fiscal year 2007 Tenant-Based Rental Assistance	20,922	NA	15,920,000,000

NA = Not Applicable

Tenant-Based Rental Assistance

**Tenant-Based Rental Assistance
FY 2008 Request**

	<u>Units</u>	<u>Per Unit Cost</u>	<u>Budget Authority</u>
FY 2008:			
Tenant Protections	20,568	\$7,293	\$150,000,000
Administrative Fee	NA	NA	1,351,000,000
Family Self-Sufficiency Coordinators	NA	NA	48,000,000
Working Capital Fund	NA	NA	6,494,000
Voucher Contract Renewals	NA	NA	14,444,506,000
 Total, fiscal year 2008 Tenant-Based Rental Assistance	 20,568	 NA	 16,000,000,000

NA = Not Applicable