

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

HOUSING FOR SPECIAL POPULATIONS
(HOUSING FOR THE ELDERLY OR HANDICAPPED PROGRAM)

PROGRAM HIGHLIGHTS

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
(Dollars in Thousands)				
<u>Available Resources:</u>				
Budget Authority (Enacted):				
Elderly:				
Supportive Housing for the				
Elderly	\$710,000	\$779,000	\$783,286	+\$4,286
Conversion to Assisted Living	[\$50,000]	[\$49,890]	[\$49,890]	[...]
PRAC Renewals	[...]	[...]	[\$3,000]	[\$3,000]
Service				
Coordinators/Congregate Svcs .	[\$50,000]	[\$49,890]	[\$49,890]	[...]
Rescission .....	...	-\$1,714	...	+\$1,714
Subtotal	\$710,000	\$777,286	\$783,286	+\$6,000
Disabled:				
Supportive Housing for the				
Disabled	\$201,000	\$217,000	\$217,723	+\$723
PRAC Renewals	[...]	[...]	[\$1,200]	[\$1,200]
Rescission .....	...	-\$477	...	+\$477
Subtotal	\$201,000	\$216,523	\$217,723	+\$1,200
Working Capital Fund	[...]	[\$998]	[\$3,000]	[\$2,002]
Subtotal	\$911,000	\$993,809	\$1,001,009	+\$7,200
Net Carryover	\$2,785,959	\$2,760,404	...	-\$2,760,404
Total Resources	\$3,696,959	\$3,754,213	\$1,001,009	-\$2,753,204
Obligations	\$936,555	\$939,000	\$1,001,009	+\$62,009
Budget Outlay	\$719,845	\$988,000	\$1,025,000	+\$37,000
<u>Unit Reservations:</u>				
Elderly	6,518	7,193	7,233	+40
Disabled	1,483	1,434	1,439	+5
Subtotal	8,001	8,627	8,672	+45

SUMMARY OF BUDGET ESTIMATES

An appropriation of \$1.001 billion is proposed for Housing for Special Populations for fiscal year 2002. This consists of \$783 million for the elderly and \$218 million for housing for persons with disabilities. Included in the total amount, up to \$3 million is proposed to renew Project Rental Assistance Contracts (PRAC) from prior years under the Elderly Program and up to \$1.2 million is proposed for Disabled PRAC Renewals. Furthermore, of the total funds for the elderly, \$50 million will be used to continue the conversion of existing elderly projects to assisted living facilities and \$50 million for an expanded Service Coordinators/Congregate Services program and up to \$3 million is proposed to be used for Information Technology in fiscal year 2002. Of the total funding proposed for the disabled, up to 25 percent is available for tenant-based assistance to provide for program flexibility and more choice in housing for low-income persons with disabilities.

Housing for Special Populations

In addition, \$40 million will be available within the Housing Certificate Fund to meet the housing needs of those non-elderly disabled families living in Public Housing buildings that are declared for "elderly" only.

EXPLANATION OF INCREASES AND DECREASES

For the 2002 Budget, a total of \$1.001 billion is requested to fund elderly and disabled activities for 8,672 units under the Housing for Special Populations program which is an increase of \$7.2 million from fiscal year 2001. Within this request is \$50 million each for Conversion to Assisted Living Grants, and Service Coordinators/Congregates Services program.

PROGRAM DESCRIPTION AND ACTIVITY

The Supportive Housing Programs. The Supportive Housing programs were authorized by Section 801 and Section 811 of the Cranston-Gonzalez National Affordable Housing Act to provide eligible private non-profit organizations with capital grants and rental assistance to provide housing for very low-income elderly or disabled individuals. The capital grants will be used to finance the acquisition, acquisition and moderate rehabilitation, construction, reconstruction, or rehabilitation of housing intended for use as supportive housing for elderly people or people with disabilities. Supportive housing is designed to meet the special physical needs of elderly or disabled individuals and to accommodate the provision of supportive services.

Capital Grants for Conversion to Assisted Living. These funds will be available to existing HUD elderly subsidized projects that convert some or all units to assisted living. These competitive grants would be available to current project owners who agree to several specified conditions. These conditions would include: (1) a tight cap on operating expenses and HUD subsidy; (2) Medicaid home and community-based services or personal care services for Medicaid-eligible residents, and accessible services for non-Medicaid eligible residents through local and community service providers; (3) two meals per day; and (4) 24-hour staff. (A portion of these funds may be used to provide space within elderly housing projects for Intergenerational Learning Centers where the skills and experience of seniors will be harnessed to meet the need for affordable child care and allow seniors and children to learn new skills together.) Preference will be given to grant applicants who demonstrate a strong commitment to: (1) serve extremely low-income frail, disabled elderly residents; and (2) promote resident autonomy, independence, choice and control. Grant funds are also available for elderly facilities that require repairs.

Service Coordinators. Section 808 of the Cranston-Gonzalez National Affordable Housing Act authorized the use of Service Coordinators within existing projects for the elderly or people with disabilities. Sections 674 and 676 of the Housing and Community Development Act of 1992 expanded the universe of projects eligible to receive service coordinator assistance by authorizing funding for service coordinators in Section 8 and Sections 221(d)(3) and 236 projects. The purpose of the Service Coordinators program is to enable residents who are elderly, especially those who are frail or disabled, or people with disabilities to live as independently as possible in their own homes.

Service Coordinator funds pay the salary and fringe benefits of a Service Coordinator and cover related program administrative costs. The primary responsibility of a Service Coordinator is to help link residents of eligible housing with supportive services provided by community agencies. The Service Coordinator may also perform such activities as providing case management, acting as a advocate or mediator, coordinating group programs, or training housing management staff.

Congregate Services. The Congregate Housing Services Program (CHSP) was authorized by the Housing and Community Development Amendments of 1978 to provide 3- to 5-year grants to fund services for eligible residents of Public Housing and Section 202 Housing for the Elderly or Handicapped. The intent was to avoid costly and premature or unnecessary institutionalization of individuals and to reduce Government outlays for institutional care. The program was revised in 1992 to add other assisted housing programs.

The CHSP grant from HUD, in conjunction with grantee match and participant fees, subsidizes the cost of supportive services that are provided on-site and in the participant's home. Such services may include congregate meals, housekeeping, personal assistance, transportation, personal emergency response systems, case management, and preventative health programs. HUD requires that each program includes a Service Coordinator and that each makes at least one hot congregate meal available every day to participants. Eligible participants are residents of eligible housing who are frail (i.e., have difficulty performing three or more activities of daily living) or are people with disabilities age 18 or older.

CHSP funds allow residents of HUD subsidized housing to afford supportive services that enable them to continue living as independently as possible in their homes for as long as possible. Without this program, most of the low- and very low-income participants would have no choice but to relocate to a facility that provides a higher level of care, such as a nursing home, to meet their daily living needs.

Vouchers. Tenant-based assistance will be provided with up to 25 percent made available for supportive housing for the disabled to increase program flexibility. The assistance will allow disabled renters to search for and rent a standard unit in the private market. This is known as "mainstreaming" recipients into the housing market.

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The Direct Loan Program. The Housing for the Elderly or Handicapped Direct Loan program was authorized by Section 202 of the Housing Act of 1959, as amended. The program is no longer active, although projects developed under it continue to operate. The program provided direct loans to nonprofit organizations sponsoring the construction and management of rental housing for the elderly or handicapped. Projects originally developed under Section 202 also receive Section 8 subsidies to enable low-income households to afford the rents in these projects. The 1992 VA-HUD-Independent Agencies Appropriations Act (P.L. 102-139) provided language to enable the conversion of pipeline Section 202 direct loan projects to the Supportive Housing program starting January 1, 1992. All of the pipeline Section 202 projects were converted in fiscal year 1992. Any remaining activity for the loan program includes amendments for projects reaching final endorsement, payment of interest and repayment of borrowings to Treasury, and management of the loan portfolio.

	ACTUAL 2000	ESTIMATE 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
	(Dollars in Thousands)			
<u>Section 202 Loan Program:</u>				
Outlays.....	-\$428,000	-\$434,000	-\$434,000	...
Direct loans outstanding, end of year.....	7,923,000	7,777,000	7,595,000	\$182,000

STRATEGIC GOALS AND OBJECTIVES: RESOURCES REQUESTED (\$ AND FTE) AND RESULTS

The Housing for Special Populations account funds the targeted Section 202 program for low-income elderly families and the Section 811 housing program for persons with disabilities, both of which are necessary to achieve HUD's objective 1.2-making affordable rental housing available to low-income households.

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002
Strategic Goal 1: Increase the availability of decent, safe and affordable housing in American communities.			
Discretionary BA (Dollars in Thousands)	910,000	894,029	901,229
FTE	276	274	274
Strategic Objective 1.2: Affordable rental housing is available for low-income households.			
Outcome Indicator 1.2.1: The number of households with worst case housing needs decreases 3 percent between 2001 and 2003 among families with children, the elderly and persons with disabilities. ^{a/}	Not Available	997,000 elderly	Not Available
Output Indicator 1.2.a: Among extremely-low-income renters, the ratio of assisted households to households with worst case needs or already assisted increases to 46.7 percent by 2003. ^{b/}	Not Available	45.2 percent	Not Available
Strategic Goal 2: Ensure equal opportunity in housing for Americans.			
Discretionary BA (Dollars in Thousands)	...	...	...
FTE	27	27	27
Strategic Objective 2.1: Housing discrimination is reduced.			
Outcome Indicator 2.1.4: The share of newly constructed buildings that conform to selected accessibility requirements increases from the 2001 baseline.	Baseline To Be Determined	To Be Determined	To Be Determined
Strategic Goal 3: Promote housing stability, self-sufficiency and asset development of families and individuals.			
Discretionary BA (Dollars in Thousands)	1,000	99,780	99,780

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	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002
FTE	5	5	5
Strategic Objective 3.3: The elderly and persons with disabilities achieve maximum independence.			
Outcome Indicator 3.3.1: The number of assisted-living units that HUD supports through FHA insurance and conversion of Section 202 elderly units increases from the FY 2001 baseline.	Not Available	Baseline To Be Determined	To Be Determined
Outcome Indicator 3.3.3: Service-enriched housing increases the satisfaction of elderly families and individuals with their units, developments, and neighborhoods.	Not Available	Baseline To Be Determined	To Be Determined
Output Indicator 3.3.a: Increase the availability of affordable housing for the elderly and persons with disabilities by bringing 291 projects to initial closing under Sections 202 and 811.	279	226	291
Output Indicator 3.3.b: At least 10 Section 202 developments will complete conversion of units to assisted living by FY 2003.	Not Available	Not Available	Not Available
Strategic Goal 5: Ensure public trust in HUD.			
Discretionary BA (Dollars in Thousands)	...	...	...
FTE	246	244	244
Strategic Objective 5.1: HUD and HUD's partners effectively deliver results to customers.			

- a/ The 2001 goal is based on actual 1999 performance of 44.7 percent. Data are available in odd years through the American Housing Survey.
- b/ The 2001 goal is based on actual 1999 performance of 1.03 million. Data are available in odd years through the American Housing Survey.