

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING CERTIFICATE FUND  
(INCLUDING CONTRACT RENEWALS)

PROGRAM HIGHLIGHTS

	<u>ACTUAL</u> 2001	<u>ENACTED</u> 2002	<u>ESTIMATE</u> 2003	INCREASE + DECREASE - 2003 vs 2002
(Dollars in Thousands)				
<u>Obligations</u>				
Total new Obligations .....	\$15,669,164 <u>a/</u>	\$16,767,908	\$17,526,559	\$758,651
<u>New Budget Authority</u>				
Appropriation/Request .....	\$13,940,907	\$15,640,975	\$17,526,559	\$1,885,584
Across the Board Rescission ....	<u>(\$30,670)</u>	...	...	...
Subtotal .....	\$13,910,237	\$15,640,975	\$17,526,559	\$1,885,584
<u>Advanced Appropriations</u>				
Advance Appropriation (Available October 1, 2000) .....	\$4,200,000	...	...	...
Advance Appropriation (Available October 1, 2001) .....	(\$4,200,000)	\$4,200,000	...	(\$4,200,000)
Advance Appropriation (Available October 1, 2002) .....	...	(\$4,200,000)	\$4,200,000	\$8,400,000
Advance Appropriation (Available October 1, 2003) .....	...	...	<u>(\$4,200,000)</u>	<u>(\$4,200,000)</u>
Subtotal .....	...	...	...	...
<u>Enacted Rescission</u>				
Rescission .....	(\$1,825,985)	(\$1,200,000)	(\$1,100,000)	\$100,000
Supplemental Rescission .....	<u>(\$114,300)</u>	...	...	...
Subtotal .....	(\$1,940,285)	(\$1,200,000)	(\$1,100,000)	\$100,000
Net Budget Authority .....	\$11,969,952	\$14,440,975	\$16,426,559	\$1,985,584
<u>Carryover/Recaptures</u>				
Carryover .....	\$2,896,364 <u>b/</u>	\$1,035,586	...	(\$1,035,586)
Use of Project Reserves .....	...	\$640,000	...	(\$640,000)
Recaptures .....	<u>\$2,478,434 c/</u>	<u>\$651,347 d/</u>	<u>\$1,100,000 d/</u>	<u>\$448,653</u>
Subtotal .....	\$5,374,798	\$2,326,933	\$1,100,000	(\$1,226,933)
Total Resources Available .....	\$17,344,750	\$16,767,908	\$17,526,559	\$758,651
<u>New Incremental/Tenant Protection</u>				
Units .....	127,685	56,200	77,300	21,100
Renewals (Units) .....	2,616,517	2,744,557	2,898,255	153,698
Outlays .....	\$16,720,078	\$17,771,483	\$18,338,555	\$567,072

a/ Includes \$27 million in obligations to reconcile HUD's General Ledger balance with Treasury.

b/ Excludes \$49.5 million in source year 74 contract authority pursuant to P.L. 106-377; and \$2.7 million in expired balances. Includes \$392,968 in collections.

c/ Excludes \$99.3 million in source year 74 contract authority pursuant to P.L. 106-377; and \$5.3 million in expired balances.

d/ Estimated recaptures.

SUMMARY OF BUDGET ESTIMATES

A total of \$17.5 billion is expected to be available for the Housing Certificate Fund in fiscal year 2003. This includes \$13.3 billion in new budget authority, and \$4.2 billion in advance appropriation from fiscal year 2002.

The Department is requesting \$16.86 billion for the renewal of expiring Section 8 contracts including \$52 million for Family Self-Sufficiency Coordinators. In addition, the Department is requesting \$196 million for Contract Administrators, \$260 million for tenant protection activities to support approximately 43,300 units, and \$3 million to be available for the Working Capital Fund for development of and modifications to information technology systems which serve or are related to those programs or activities under this account. Further, the Department is requesting \$204 million for incremental vouchers to encourage or facilitate the transition of families to self-sufficiency, rental assistance to the homeless, downpayment assistance, individuals and families affected by the Olmstead decision, non-elderly disabled, and homeless veterans, as well as on a fair share basis to Public Housing Agencies (PHAs) that have no less than a 97 percent utilization rate. Section 8 Amendments require no new appropriations in fiscal year 2003 and will be funded through carryover and recaptures from the expiring contracts. Tenant-based assistance funding for HOPE VI will be provided under the HOPE VI account. However, the renewals of these contracts will be under this account.

EXPLANATION OF INCREASES AND DECREASES

The net increase of \$1.99 billion in budget authority above the fiscal year 2002 enacted level is due to several factors. For contract renewals, \$16.86 billion is requested in new budget authority to support 2,898,255 units, which is an increase of \$1.78 billion to renew existing contracts. In addition, the Department is requesting \$204.2 million to support 34,000 incremental units, including up to 5,949 new units for non-elderly disabled, and up to 1,000 incremental units in connection with the Olmstead decision. This is 16,000 more units and an increase of \$60 million in budget authority. Further, the Department is requesting \$260 million for tenant protection activities, which is 13,000 more units and \$57 million more in budget authority. In addition, \$3 million is requested for the Working Capital Fund, which is a decrease of \$10 million. Finally, the Department is proposing a rescission of \$1.1 billion from prior year unobligated balances which is a \$100 million increase in budgetary resources above fiscal year 2002 levels.

PROGRAM DESCRIPTION AND ACTIVITY

1. Contract Renewals. Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering certificates, vouchers, moderate rehabilitation, Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation. In fiscal year 2003, \$16.86 billion in new budget authority is requested to renew expiring contracts for an estimated 2,898,255 units. Further, included in the renewal total is \$52 million for Family Self-Sufficiency Coordinators. All contracts are proposed for a renewal term of 1 year.

The Department has changed the way in which it administers the project-based Section 8 contracts from HAP contracts directly between project owners and HUD to ACC contracts, or contracts between HUD and a third party administrator. This adopts the administrative model used for tenant-based Section 8 program. Currently, State and local Housing Finance Agencies constitute majority of the project-based contract administrators.

2. Section 8 Amendments. The need for Section 8 amendment funds results from insufficient funding being provided for long-term project-based contracts funded primarily in the 1970's and 1980's. During those years, the Department provided contracts that were for terms of up to 40 years. Estimating funding needs over such a long period of time proved to be problematic, and as a result, many of these Section 8 contracts were inadequately funded. The current practice of providing contracts for a 1-year term helps to ensure that the problem of inadequately funded contracts is not repeated. However, older long-term contracts must still be provided additional funds to maintain the current inventory of assisted project-based rental housing. In fiscal year

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2003, carryover and recaptures from prior year balances will be used to fund Section 8 amendment needs.

3. Incremental Rental Assistance. One of the Department's major strategic goals is to increase the availability of decent, safe, and affordable housing. For fiscal year 2003, the Department is requesting \$204.2 million in budget authority under the Housing Certificate Fund to support a total of approximately 34,000 incremental vouchers that will be provided to individuals and families transitioning out of public assistance, rental assistance to the homeless, downpayment assistance, additional non-elderly disabled, homeless veterans and those affected by the Olmstead decision, as well as on a fair share basis to PHAs that have no less than a 97 percent utilization rate.

HUD has taken several steps to maximize the utilization of previously appropriated funds such as: merging the certificate and voucher program into a single tenant-based assistance program; increasing PHA flexibility to adjust the voucher program payment standard to reflect local housing markets; implementing Section 8 Management Assessment Program (SEMAP) to measure PHA performance; restricting the allocation of new funds to PHAs that have achieved at least a 97 percent lease-up rate; and sanctioning PHAs that do not achieve a high utilization rate.

Of the total amount requested under Incremental Rental Assistance, the Department has requested up to \$40 million to relocate non-elderly disabled families living in Public Housing projects that have been declared for elderly only and up to \$6 million to support 1,000 units in connection with the Olmstead decision. These units are being requested in order to provide a national coordinated response to the Supreme Court's decision in *Olmstead v. L.C.* (527 U.S. 581 (1999)). That decision was the result of a lawsuit brought by two mentally disabled women who sought placement in the community rather than being institutionalized at the hospital psychiatric unit. The decision concluded that under the Americans with Disabilities Act of 1990 (ADA), states are required to provide services to persons with disabilities in community settings rather than institutions when professionals determine that community placement is appropriate. These units are being requested as part of a national initiative that will assist persons with disabilities to transition from nursing homes into the community by providing improved access to affordable housing and necessary personal assistance and supportive services. The initiative will use HUD Section 8 housing vouchers (the 1,000 being requested), HHS Nursing Home Transition Grants, Medicaid Funds and other resources to better help persons with disabilities make the transition from nursing homes to community living.

4. Contract Administrators. The Administration has taken steps to improve the oversight of HUD's project-based program. The Department currently administers approximately 20,000 Section 8 Housing Assistance Payments (HAP) contracts executed between HUD and private owners of multifamily housing developments. These developments are financed by HUD-insured, HUD-held or direct loans. Many of the duties that used to be performed by HUD staff are now be performed by Contract Administrators. These include conducting annual physical inspections, reviewing project financial statements, conducting management and occupancy reviews, reviewing management agents, reviewing insurance draws and releases from replacement reserves, reviewing owner verification of tenant income and eligibility, and pre-validating monthly subsidy payments.

5. Family Self-Sufficiency (FSS) Coordinators. The Family Self-Sufficiency program was established by the National Affordable Housing Act (NAHA) in 1990. In support of the program, Congress mandated that any housing agency that received new funding for rental vouchers and/or certificates between fiscal year 1993 and October 21, 1998 would be required to establish a self-sufficiency program equal to the number of rental vouchers or certificates received.

Since fiscal year 1993, Congress has appropriated funds to support approximately one service coordinator in each eligible PHA. The PHAs that received funding for FSS program coordinators were agencies that administered fewer than 1,500 rental vouchers and certificates. Starting in fiscal year 1999, the program was expanded to all PHAs. Current funding supports 1,084 FSS coordinators for a 1-year period.

The Department is committed to administering the FSS program for families receiving assistance under the rental assistance program and is including \$52 million in

the contract renewal budget authority to hire or continue to employ FSS coordinators. Under the FSS program, families receive job training and employment that should lead to a decrease in their dependency on welfare programs and move towards economic self-sufficiency.

6. Tenant-Protection Set-Asides. The Housing Certificate Fund serves a dual role in both replacing units of housing assistance that are lost from the assisted housing inventory as a result of changes in the status of privately owned assisted housing projects and protecting the families who live in those projects. The Department has requested appropriations language that permits both uses in the Housing Certificate Fund. Housing authorities will be allocated vouchers sufficient to assist all eligible families who are affected by HUD's management of the multifamily inventory or by owner choices to leave assisted and subsidized housing programs and to replace all lost project-based Section 8 units with tenant-based assistance. The \$260 million requested for fiscal year 2003 for Tenant-Protection will be used to provide funding for an estimated 43,300 Property Disposition, Opt-Out/Termination, Mark-to-Market protection requirements, replacement/relocation vouchers for Section 202 Mandatory Conversion, and Section 33 of the U.S. Housing Act of 1937, as amended. A portion of the funds will also be used for the Family Unification Program, witness relocation and for conversion of Section 23 projects to Section 8 assistance.

It is anticipated that under the Department's Mark-to-Market initiative, approximately 152,493 units will be restructured by the end of fiscal year 2003. In many cases, this involves writing-off a portion of the multifamily project's mortgage debt so that its rental charges (and HUD's subsidy) can be brought into line with comparable rents for other projects in the same geographic area. The amount requested for Contract Renewals has been adjusted to reflect this impact.

In contrast, there are many multifamily projects whose rents are far below area market rents for comparable multifamily projects. This is resulting in owners opting-out of the programs, causing a loss of affordable rental units available to low-income families. The Department has taken two steps in rectifying this situation. First, funding is included in the tenant protection request to provide vouchers for tenants living in projects whose owners decide to leave the program and for replacement of units lost from the assisted housing inventory; and second, the Department will continue its efforts to retain low-income projects through its Marking-up-to-Market Initiative, which allow the project owner to increase rental charge up to the level of comparable multifamily projects in the area. Again, the funding requested for Contract Renewals has been adjusted to reflect the impact of this Initiative.

Program Reforms

1. Verifying that the right person receives the right benefit. HUD research has determined that there is a significant error rate in subsidy calculation. In conjunction with OMB, HUD has established a goal of a 50 percent reduction in the frequency of subsidy calculation and processing errors by 2005.

Since the sources and cause of subsidy payment errors are many and often interrelated, a comprehensive corrective action plan is needed. HUD's prior corrective action focus has been on developing and implementing a large scale computer matching program with IRS and SSA data bases to better address the unreported tenant income issue. While this and other improvement initiatives are ongoing, multi-organizational HUD Working Group has been tasked with developing viable options for a more comprehensive corrective action plan to be considered by the new administration. The Working Group is considering options for: (1) program simplification; (2) structured forms, training, and automated tools needed to determine rent correctly; (3) tenant education; (4) increased use of automated tenant income data sources at the local and national level; (5) improved targeting of on-site management and occupancy reviews based on risk indicators; (6) intermediary performance incentives and sanctions; (7) improved automated billing verifications; and (8) an on-going quality control program.

In addition, the Budget includes continuation of the following reforms in fiscal year 2003:

2. Increase the Payment Standard from 40<sup>th</sup> to 50<sup>th</sup> Percentile of Fair Market Rent. In most areas, PHAs can run a successful voucher program with the normal 90 to 110 percent of the current published 40<sup>th</sup> percentile FMR. However, in some cases, even the maximum 110 percent of the FMR is too low to enable families to find suitable housing with a voucher. This reform implements a new Fair Market Rent (FMR) Policy. The new policy authorizes PHAs to use voucher payment standards based on a 50<sup>th</sup> percentile rent (rather than the published 40<sup>th</sup> percentile FMR) where fewer than three-fourths of the families issued vouchers succeed in using them to find and lease housing. PHAs that qualify for the higher payment standard will still retain the flexibility to vary their payment standard by area and unit size.

3. Earned Income Disregard. The Department will continue with the policy of Earned Income Disregard that lets PHAs disregard earned income of a tenant with disabilities (only) for 12 months after new employment, disregard half for another 12 months and to phase in rent increases after that. In other words, when a family member who was unemployed gets a job, a family's rent could not be increased for 1 year and the rent increases in the second year would be limited. The tenant has the option to retain the additional earned income, or have the PHA put the funds into a saving account to be used for home purchase or education.

STRATEGIC GOALS AND OBJECTIVES (\$ AND FTE) AND RESULTS

The numerous Departmental programs that are funded through the Housing Certificate Fund are essential to achieve HUD's Strategic Goal 3: Improve the quality of public housing and provide more choices for its residents. Through the Housing Certificate Fund, the Department addresses worst-case housing needs as well as homeownership through the utilization of Housing Choice vouchers. The Family Self Sufficiency coordinators help public housing residents develop assets and tap into the vast network of resources designed to help them and assist the transition from public housing to self sufficiency, and even homeownership. These activities help HUD achieve Strategic Objective 3.1; help families in public and assisted housing make progress toward self-sufficiency and become homeowners. The Department is also making strides in the continuing effort to maximize existing resources. To that end the Department and the Housing Certificate Fund are placing additional emphasis on ensuring that improper payments in HUD's rental housing assistance programs are reduced and that income verification by PHAs increase. In addition, by only allocating new vouchers to PHAs that have utilization rates of at least 97 percent HUD maximizes the effectiveness of the voucher program. These two actions within the Housing Certificate Fund further Strategic Objective 3.2; improve the management accountability public and assisted housing. By addressing worst case housing needs, the Housing Certificate Fund assists in meeting Goal 2: Help families share in the

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American dream and become stakeholders in their communities by making the move from renting to homeownership. The program also devotes resources toward Goal 6, Embrace high standards of ethics, management and accountability, through the continuing efforts to ensure the timely expenditure of Federal resources in the housing choice voucher component of the Housing Certificate Fund. Additionally, the resources of the program assist the Department in meeting the objectives of Goal 7, ensure equal opportunity and access to housing. Other HUD programs funded through the Housing Certificate Fund, but not listed above, aid in the achievement of these goals in a similar fashion as those itemized above.

SELECTED PERFORMANCE MEASURES

NOTE: Targets are preliminary and may be revised with the submission of the full APP document.

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
<b>Strategic Goal 2: Help families move from rental housing to homeownership.</b>			
Discretionary BA (Dollars in Thousands)	\$736,551	\$785,018	\$909,341
FTE			
Headquarters	13	14	14
Field	8	8	8
Subtotal	21	22	22
<b>Strategic Objective 2.3: Increase the availability of affordable rental housing.</b>			
The number of households with worst case housing needs decreases by 3 percent between 2001 and 2003 among families with children, the elderly, and persons with disabilities.	As Listed: 1,739,000; 997,000; NA anticipated	NA	As Listed: 1,687,000; 967,000; 1,213,000
Among extremely low-income renters, the ratio of assisted households to households with worst case needs or already assisted.	45.2% anticipated	NA	NA
<b>Strategic Goal 3: Improve the quality of public housing and provide more choices for its residents.</b>			
Discretionary BA (Dollars in Thousands)	\$12,649,720	\$14,210,342	\$15,910,354
FTE			
Headquarters	217	244	244
Field	373	381	381
Subtotal	590	625	625
<b>Strategic Objective 3.1: Help families in public and assisted housing make progress toward self-sufficiency and become homeowners.</b>			
Indicator: The number of households who have used Housing Choice vouchers to become homeowners increases by 20 percent.	NA	Baseline To Be Determined	Baseline plus 20 percent

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STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
Indicator: Among extremely low-income renters, the ratio of assisted households to households with worst case needs or already assisted.	45.2% anticipated	NA	NA
Indicator: Among non-elderly, non-disabled public housing households with dependents, the share that derive more than 50 percent of their income from work increases by 1 percentage point.	49%	50%	51%
Indicator: Average earnings increase by 5 percent from year to year among non-elderly, non-disabled households in public housing, Housing Choice Voucher, and project-based Section 8 programs.	NA	Baseline to be Determined	Baseline plus 5 percent

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<b>Strategic Objective 3.2: Improve the management accountability for public and assisted housing.</b>			
Indicator: The high incidents of program errors and improper payments in HUD'S rental housing assistance programs will be reduced.	60% (estimated)	NA	51%
Indicator: The share of Housing Choice Vouchers units managed by housing agencies that score highly for income verification increases.	NA	Baseline To Be Determined	Goal To Be Determined
Indicator: The utilization of Housing Choice Vouchers increases by 1 percentage point from the fiscal year 2002 level to 95 percent.	Not Available	94%	95%
Indicator: The share of the Housing Choice Voucher program administered by housing agencies with substandard lease-up rates decreases by 10 percent	39.9% anticipated	35.9%	32.3%
Indicator: The household-weighted average SEMAP score increases.	Not Available	Baseline To Be Determined	Goal To Be Determined
Indicator: Among households living in public housing and subsidized multifamily properties, the share living in developments that have substandard financial management decreases by 2.5 percentage points.	29.2%	24.2%	21.7%
The share of Housing Choice Voucher units managed by troubled housing agencies decreases by 5 percentage points.	25.1%	20.1%	15.1%
<b>Strategic Objective 3.3: Improve physical and related conditions in public and assisted housing.</b>			
Indicator: The share of public housing and assisted multifamily units meeting HUD physical standards increases 1.5 percentage points.	Public Housing: 88.2% Multifamily : 92.5%	Public Housing: 91.2% Multifamily : 95.5%	Public Housing: 92.7% Multifamily : 97%
<b>Strategic Goal 6: Embrace high standards of ethics, management and accountability.</b>			
Discretionary BA (Dollars in Thousands)	\$494,209	\$596,146	\$656,120
FTE			
Headquarters	13	15	15
Field	15	16	16
Subtotal	28	31	31
<b>Strategic Objective 6.2: Improve accountability, service delivery and customer service of HUD and our partners.</b>			
Indicator: Support timely expenditure of	NA	NA	4 Months



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Federal resources by allocating 100 percent of incremental Housing Choice voucher funds within four months of appropriation.			
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<b>Strategic Goal 7: Ensure equal opportunity and access to housing.</b>			
Discretionary BA (Dollars in Thousands)	\$29,757	\$49,469	\$50,743
FTE			
Headquarters	3	4	4
Field	0	0	0
Subtotal	3	4	4
<b>Strategic Objective 7.3: Improve housing options for the elderly.</b>			
Indicator: Service-enriched housing increases the satisfaction of elderly families and individuals with their units, developments and neighborhoods.	Baseline to be Determined	Increase over Baseline	Increase over FY 2002
<b>FTE Total</b>	<b>642</b>	<b>682</b>	<b>682</b>

NA = Not Applicable

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	<u>Units</u>	<u>Per Unit Cost</u>	<u>Term</u>	<u>New Budget Authority</u>
<b>FY 2001:</b>				
Enacted	NA	NA	NA	13,940,907,000
Advance Appropriation (Available Oct. 1, 2001)	NA	NA	NA	4,200,000,000
Advance Appropriation (Available Oct. 1, 2002)	NA	NA	NA	(4,200,000,000)
Rescission	NA	NA	NA	(1,970,954,731)
<b>Subtotal Net Budget Authority</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>11,969,952,269</b>
Carryover/Recaptures	NA	NA	NA	5,374,797,904 a/
<b>Total Resources Available</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>17,344,750,173</b>

**Actual Obligations as of 9/30/01**

Incremental Rental Assistance	78,755	NA	1	451,874,426
Welfare to Work Vouchers	NA	NA	1	1,145,868
Non-Elderly Disabled	6,965	NA	1	55,977,104
Tenant Protections	41,965	NA	1	255,145,930
Section 8 Replacement/Relocation/Demo	NA	NA	1	1,874,354
Section 8 Amendments	NA	NA	1	279,135,233
Preservation Prepayment Enhanced Vouchers	NA	NA	1	28,409
Section 514 Technical Assistance	NA	NA	1	7,737,628
Section 8 Counseling	NA	NA	1	8,516,000
Jobs Plus Demonstration	NA	NA	1	1,366,702
Working Capital Fund	NA	NA	1	10,975,800
Other	NA	NA	NA	27,708,018 b/
Contract Administrators	NA	NA	NA	146,497,058
Lead Based Paint	NA	NA	NA	1,820,118
Contract Renewals				
PIH	1,853,008	NA	NA	10,524,802,279
CPD-Mod. Rehab. SRO	1,702	NA	NA	4,237,416
Housing	<u>761,807</u>	<u>NA</u>	<u>NA</u>	<u>3,890,322,150</u>
Subtotal, Contract Renewals	2,616,517			14,419,361,845
<b>Total, FY 2001 Obligations</b>	<b>2,744,202</b>			<b>15,669,164,493</b>

Total Housing Certificate Fund Unobligated Funds: **1,675,585,680**

a/ Excludes \$149 million for source year 74 contract authority pursuant to P.L. 106-377; and \$8 million in Disaster Fund balances that have expired.

b/ Includes \$27 million in obligations to reconcile HUD's General Ledger balance with Treasury.

FY 2002:	Per			New Budget Authority	Carryover	Program Level
	Units	Unit Cost	Term			
Incremental Rental Assistance	18,000	5,853	1	103,979,000	200,275	104,179,275
Welfare to Work	NA	NA	1	...	257,655	257,655
Non-Elderly-Disabled	7,900	5,149	1	40,000,000	...	40,000,000
Tenant Protection	30,300	NA	NA	202,842,000	70,824,048	273,666,048
Regional Opportunity Counseling	NA	NA	1	...	10,000,000	10,000,000
Section 8 Amendments	NA	NA	NA	...	76,814,961 a/	76,814,961 a/
Preservation Prepayment Enhanced Vouchers	NA	NA	NA	...	306,630	306,630
Section 8 Preservation Amendments	NA	NA	NA	...	1,762,428	1,762,428
Section 8 Preservation Vouchers	NA	NA	NA	...	92,587	92,587
Section 8 Counseling	NA	NA	1	...	3,256,698	3,256,698
Jobs Plus	NA	NA	1	...	5,617,898	5,617,898
Working Capital Fund	NA	NA	1	13,400,000	...	13,400,000
Other	NA	NA	1	...	2,023,638	2,023,638
Contract Administrators	NA	NA	1	195,601,000	45,080,542	240,681,542
Section 514 Technical Assistance	NA	NA	NA	[9,800,000] b/	...	[9,800,000]
HOME (City of New Rochelle)	NA	NA	1	...	4,592,556	4,592,556
Contract Renewals						
PIH	1,952,920	NA	1	10,867,727,155	64,124,418	10,931,851,573
CPD-Mod. Rehab. SRO	2,616	NA	1	10,324,233	7,195,741	17,519,974
Housing	789,021	NA	1	4,207,101,612	184,982,925	4,392,084,537
Use of Project Reserves	NA	NA	NA	[640,000,000]	640,000,000	640,000,000
Subtotal, Contract Renewals	2,744,557			15,085,153,000	896,303,084	15,981,456,084
Subtotal, FY 2002 Housing Cert. Fund	2,800,757			15,640,975,000	1,117,133,000	16,758,108,000
FY 2002 Rescission	NA	NA	NA	(1,200,000,000)	...	(1,200,000,000)
FY 2001 Recaptures	NA	NA	NA	...	558,452,680	558,452,680
Subtotal	NA	NA	NA	14,440,975,000	1,675,585,680	16,116,560,680
Anticipated Recaptures	NA	NA	NA	...	651,347,320 b/	651,347,320
Total, FY 2002 Housing Cert. Fund	2,800,757			14,440,975,000	2,326,933,000	16,767,908,000

NA = Not Applicable

a/ Recaptures may be utilized to meet additional amendment needs.

b/ Contract Renewal/Recapture funds will be utilized for Section 514 technical assistance, pursuant to P.L. 107-117.

	<u>Units</u>	<u>Per Unit Cost</u>	<u>Term</u>	<u>Budget Authority</u>
<b>Fiscal Year 2003:</b>				
Incremental Rental Assistance	34,000	6,005	1	204,170,000
Tenant Protections--Housing	30,300	6,005	1	181,951,500
Tenant Protections--PIH	13,000	6,005	1	78,065,000
Non-Elderly Disabled	[5,949]	NA	1	[40,000,000]
Olmstead Tenant Protectons	[1,000]	NA	1	[6,000,000]
Contract Administrators	NA	NA	NA	196,000,000
Working Capital Fund	NA	NA	NA	3,000,000
Contract Renewals				
PIH	2,077,336	6,005	1	12,526,402,680
CPD-Mod. Rehab. SRO	3,645	NA	1	16,808,126
Housing	<u>817,274</u>	NA	1	<u>4,320,162,044</u>
Subtotal, Contract Renewals	2,898,255			16,863,372,850
Subtotal, FY 2003 Housing Cert. Fund	2,975,555			17,526,559,350
Rescission	NA	NA	NA	(1,100,000,000)
Total, FY 2003 Housing Cert. Fund	2,975,555			16,426,559,350

**CONTRACT RENEWAL ESTIMATES - FISCAL YEAR 2003  
(POLICY)**

	<u>AVERAGE UNITS</u>	<u>COST</u>	<u>FUNDING REQUIREMENTS</u>
<b>Fiscal Year 2003</b>			
Section 202/8 renewed at current rents.....	101,474	5,929	601,633,897
New Construction/Substantial Rehabilitation.....	360,951	5,282	1,906,484,705
Loan Management Set-Aside.....	331,879	4,674	1,551,257,310
Property Disposition.....	34,066	6,814	232,129,483
Preservation.....	49,504	6,582	325,843,449
Housing Tenant Protection.....	(60,600)	4,904	(297,186,800)
Subtotal Housing	817,274	5,286	4,320,162,044
Vouchers/Moderate Rehab.....	2,077,336	6,005	12,474,402,680
Moderate Rehabilitation SRO.....	3,645	4,611	16,808,126
Family Self-Sufficiency Coordinators.....	<u>NA</u>	NA	<u>52,000,000</u>
FISCAL YEAR 2003 TOTAL .....	2,898,255		16,863,372,850