

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

RENT SUPPLEMENT PROGRAM

PROGRAM HIGHLIGHTS

	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs 2002
	(Dollars in Thousands)			
<u>Budget Authority</u>				
Unobligated Balance, SOY .....	\$532,853	\$558,382	\$541,486	-\$16,896
Recapture from prior years .....	\$35,468	...	...	...
Use of authority .....	<u>-\$9,939</u>	<u>-\$16,896</u>	<u>-\$28,723</u>	<u>-\$11,827</u>
Subtotal .....	\$558,382	\$541,486	\$512,763	-\$28,723
Units Eligible for Payment, EOY .	20,161	20,061	19,961	-100

SUMMARY OF BUDGET ESTIMATES

No appropriation is requested for the Rent Supplement program in 2003. No new commitment activity has taken place under this program since 1973.

EXPLANATION OF INCREASES AND DECREASES

The obligation estimate for 2003 of \$29 million represents amendments to State-financed projects and foreclosed State-aided projects. This program is demand-driven.

PROGRAM DESCRIPTION AND ACTIVITY

Section 101 of the Housing and Urban Development Act of 1965, as amended, authorized rent supplements on behalf of needy tenants living in privately owned housing. This program also was used to provide additional "piggyback" rental assistance to a portion of the units in Section 236 projects, including State Agency developed non-HUD-insured projects. Eligible tenants pay 30 percent of the rent or 30 percent of their income toward the rent, whichever is greater. The difference between the tenant payment and the economic rent approved by the Department is made up by a Rent Supplement payment made directly to the project owner.

Rent supplement contracts were the same length as the mortgage. As rents escalated in the 1980s, contract funds were insufficient to subsidize contract units for the full term of the contract. Most insured and 202 projects were able to convert their rent supplement assistance to Section 8 assistance during the 1980s in order to avoid contract amendment problems.

Amendments to State/Agency-sponsored, non-insured projects are supported utilizing funding provided for this purpose in the 1983 Supplemental Appropriations Act.

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

The Rent Supplement program supports the Department's strategic goals #3, Improve the quality of public housing and provide more choices for its residents.

Rent Supplement Program

SELECTED PERFORMANCE MEASURES

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

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
<b>Strategic Goal 3: Improve the quality of public housing and provide more choices for its residents.</b>			
Discretionary BA (Dollars in Thousands)	\$0	\$0	\$0
FTE			
Headquarters	1	1	1
Field	2	2	2
Subtotal	3	3	3
<b>Strategic Objective 3.2: Improve the management accountability for public and assisted housing.</b>			
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.	Assisted MF 29.2% (anticipated)	Assisted MF 24.2%	Assisted MF 21.7%
<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 that meet HUD-established physical standards increases by 1.5 percentage points.	Assisted MF 92.5%	Assisted MF 95.5%	Assisted MF 97%
Indicator: The share of HUD-Assisted Properties observed with Exigent Health and Safety or Fire Safety Deficiencies decreases by 1.0 percentage point for public housing and by 0.6 percentage points for assisted multifamily housing.	Assisted MF 39.6% anticipated	Assisted MF 39%	Assisted MF 38.4%
Indicator: The average satisfaction of assisted renters and public housing tenants with their overall living conditions increases by 1 percentage point.	71%	72%	73%
Indicator: The share of units that have functioning smoke detectors and are in buildings with functioning smoke detectors increases by 1.2 percentage points for public housing and by 0.7 percentage points for assisted multifamily housing.	Assisted MF 90.8% (anticipated)	Assisted MF 91.5%	Assisted MF 92.2%
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>