

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

RENT SUPPLEMENT

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal A: Promote decent affordable housing.			
Discretionary BA (Dollars in Thousands)
FTE			
Headquarters	1	1	1
Field	2	2	2
Subtotal	3	3	3
S&E Cost (Dollars in Thousands)			
Personal Services	\$253	\$260	\$267
Travel	3	2	3
Transportation of Things	0	0	0
Rent, Communications & Utilities	0	0	0
Printing	1	1	1
Other Services	1	0	0
Supplies	0	0	0
Furniture & Equipment	0	0	0
Subtotal	258	263	271

EXPLANATION OF PERFORMANCEPerformance/Means and Strategies

No appropriation is requested for the Rent Supplement program in fiscal year 2004. No new commitment activity has taken place under this program since 1973 and funding was last appropriated for this program in 1983 for amendments to existing agreements. The obligation estimate for 2004 of \$10 million represents amendments to State-financed projects and foreclosed State-aided projects only. Since this account reflects only activities in monitoring and maintenance of pre-existing agreements, there is no projection of specific program performance targets.

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 projects that are not HUD-insured. 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 units for the full term of the contracts. 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. However, about 15,000 rent supplement units remain in HUD's inventory. Most of those are associated with Section 236 contracts.

Resource Management Information

The FTE request remained constant for fiscal years 2002, 2003 and 2004.