

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

PROJECT-BASED RENTAL ASSISTANCE

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal H: Increase homeownership opportunities.			
Discretionary BA (Dollars in Thousands)	\$20,747	\$24,033	\$0
FTE			
Headquarters	14	14	0
Field	8	8	0
Subtotal	22	22	...
S&E Cost (Dollars in Thousands)			
Personal Services	\$2,009	\$2,066	\$0
Subtotal	2,009	2,066	...
Strategic Objective H.5: Help HUD-assisted renters become homeowners.			
Indicator: The number of households who have used Housing Assistance for Needy Families vouchers to become homeowners increases by 20 percent.	531	637	Initiative transferred to HANF

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

In fiscal year 2004, this activity is funded out of Housing Assistance for Needy Families program.

In fiscal year 2002 the baseline was established for this goal. There were 531 families participating in the homeownership program.

PIH currently has a module in the Public and Indian Housing Information Center (PIC) -- PIC-50058--that tracks families successful in attaining homeownership. The homeownership option is available to eligible families and uses voucher funding to make monthly homeownership expenses instead of making monthly payments on behalf of the family to assist with rent. The subsidy can 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 both affordable and an incentive to participate.

In addition to the monthly homeownership assistance payments, an eligible family can elect to take a one-time single grant to use towards the down payment on the purchase of a home. To make this option even more attractive to potential applicants, HUD has eliminated a complicated recapture provision that was triggered through the refinancing or sale of the family unit. HUD has also provided PHAs with flexibility on establishing the minimum income requirement for family eligibility, thereby increasing the pool of available families eligible for the program.

These regulatory changes support the goal to increase national homeownership opportunities while also accomplishing the reduction of meaningless compliance burdens on program recipients.

Project-Based Rental Assistance

The Section 8 homeownership program has great potential to help low-income families in public and assisted housing to become homeowners. In fiscal year 2003, HUD plans to take steps to substantially increase participation in the program. These steps will include publication of a handbook that explains the mechanics of the program, a study on early implementation of the program, the use of incentives through HUD's funding competitions, and a legislative proposal to eliminate the requirement that the use of vouchers for downpayment assistance be contingent on advance approval in annual appropriations acts. HUD is also exploring additional strategies for helping housing agencies obtain the resources they may need to launch these programs and provide the necessary homeownership counseling.

In 2004, the Department is proposing the HANF program to replace the current tenant-based voucher and moderate rehabilitation programs. In the transition year, PHAs will continue to administer a voucher program and emphasis on homeownership will continue. The goal is to increase homeownership participation by 20 percent from the fiscal year 2003 level. After the transition year, the block grant provides States with the flexibility to tailor their housing program based on local needs. States will be able to increase participation in homeownership, working in conjunction with existing state housing finance agencies to maximize financial resources required for program participants to achieve their dreams.

Resource Management Information

No funding has been requested in 2004 to support this goal. This is the result of the Department's request of tenant-based rental assistance program under a new account, Housing Assistance for Needy Families.