

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
2008 Summary Statement and Initiatives
(Dollars in Thousands)

HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2006 Appropriation	\$239,000	\$285,821	-\$7,732 ^a	\$517,089	\$268,966	\$300,726
2007 Full-Year CR Estimate.....	239,610	230,346 ^b	...	469,956	255,000	260,000
2008 Request	<u>125,000</u>	<u>214,956</u>	<u>...</u>	<u>339,956</u>	<u>250,000</u>	<u>259,000</u>
Program Improvements/Offsets	-114,610	-15,390	...	-130,000	-5,000	-1,000

a/ Includes \$2.3 million from 2006 budget authority and \$5.3 million from unobligated balances for a 2006 rescission.

b/ Excludes unobligated funds that expired October 1, 2006.

Summary Statement

An appropriation of \$125 million is proposed for Housing for Persons with Disabilities for fiscal year 2008. This is an increase of \$6.2 million from the President's fiscal year 2007 budget and a decrease of \$115 million from the fiscal year 2007 Continuing Resolution estimate. This funding level assumes 3-year Project Rental Assistance Contracts (PRAC). The President's Budget includes approximately \$29.5 million for program expansion. This includes \$14.5 million for new capital grants and the associated Project Rental Assistance Contracts (PRAC); and up to \$15 million for a Leverage Financing Demonstration. Furthermore, \$600 thousand is to be transferred to the Working Capital Fund for information technology. The budget also includes \$20.2 million to renew expiring PRAC and for amendments to such contracts; and \$74.7 million for mainstream vouchers, including voucher renewals and amendments.

Initiatives

A new \$15 million leveraged financing demonstration is proposed. The Department plans to develop and implement a demonstration project that would encourage the leveraging of HUD grants with other funds, with a primary focus on tax credit equity, to increase the number of households served in the Section 811 program. In developing the program the Department will consider mixed-finance arrangements including low-income housing tax credits and other creative financing options for development and/or rental operating assistance.

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Disabled (Grants and PRAC)	\$139,220	\$253,208	\$392,428	\$177,997	\$134,025	\$205,555	\$339,580	\$14,500
Disabled PRAC Renewal/Amendment	13,383	1,099	14,482	9,112	15,000	1,785	16,785	20,155
PIH Disabled - Mainstream Vouchers (Tenant-Based)	4,950	29,962	34,912	9,920	14,850	29	14,879	...
PIH Amendment/Renewal of Mainstream Vouchers (Tenant-Based)	73,319	1,552	74,871	71,541	74,745	22,977	97,722	74,745
Leverage Financing Demonstration .....	...	...	...	...	...	...	...	15,000
Working Capital Fund ..	<u>396</u>	<u>...</u>	<u>396</u>	<u>396</u>	<u>990</u>	<u>...</u>	<u>990</u>	<u>600</u>
Total	231,268	285,821	517,089	268,966	239,610	230,346	469,956	125,000

NOTE: The fiscal year 2006 Budget Authority reflects \$5.3 million in unobligated balances for a 2006 rescission (\$4.2 million from PIH Amendment/Renewal of Mainstream vouchers, and \$1.1 million from Disabled Grants.)

<u>FTE</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Headquarters	14	15	15
Field	<u>128</u>	<u>127</u>	<u>127</u>
Total	142	142	142

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Program Offsets
(Dollars in Thousands)

Disabled (Grants and PRAC)	<u>Amount</u>
2006 Appropriation	\$139,220
2007 Full-Year CR Estimate.....	134,025
2008 Request	<u>14,500</u>
Program Improvements/Offsets	-119,525

Disabled (Grants and PRAC)	<u>Units</u>
2006 Appropriation	1,063
2007 Full Year CR Estimate	980
2008 Request	<u>103</u>
Program Improvements/Offsets	-877

NOTE: The fiscal year 2006 Appropriation reflects a decrease of \$1.1 million from unobligated balances for a 2006 rescission.

Proposed Actions

For fiscal year 2008, the Department is proposing to use any unobligated balances carryover from Capital Advance and PRAC for the Housing for Persons with Disabilities program which was authorized by Section 811 of the Cranston-Gonzales National Affordable Housing Act to provide eligible non-profit organizations with new capital grants and associated Project Rental Assistance Contracts. Funding necessary for inspections, property disposition and amendments to prior year awards is included in this category.

The proposed funding continues to support housing options for persons with disabilities. The program adds to the cumulative efforts to provide high quality housing assistance choices to low- and very low-income persons with disabilities and to provide models of successful elderly housing assistance in this area.

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Program Offsets
(Dollars in Thousands)

Disabled PRAC Renewal/Amendment	<u>Amount</u>
2006 Appropriation	\$13,383
2007 Full-Year CR Estimate.....	15,000
2008 Request	<u>20,155</u>
Program Improvements/Offsets	+5,155

Disabled (PRAC Renewal)	<u>Units</u>
2006 Appropriation	3,115
2007 Full Year CR Estimate.....	4,245
2008 Request	<u>5,804</u>
Program Improvements/Offsets	-1,559

Proposed Actions

The Department is proposing \$20.2 million for renewal and amendment to Project Rental Assistance Contracts (PRAC). These funds are used to cover the difference between what the residents pay for rent (based on 30 percent of their adjusted income) and the HUD-approved expense to operate the project. After the initial 5-year funding agreement (agreements are proposed for 3 years in the fiscal years 2006, 2007 and 2008 budgets), PRACs are renewed for 1-year terms. Amendments are provided for PRAC contracts that are within their original term, but which have exhausted available funding. These contracts are funded until their anniversary date or to the termination date.

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Program Offsets
(Dollars in Thousands)

PIH Disabled - Mainstream Vouchers (Tenant-Based)	<u>Amount</u>
2006 Appropriation	\$4,950
2007 Full-Year CR Estimate.....	14,850
2008 Request	<u>...</u>
Program Improvements/Offsets	-14,850

PIH Disabled - Mainstream Vouchers (Tenant-Based)	<u>Units</u>
2006 Appropriation	130
2007 Full Year CR Estimate	400
2008 Request	<u>...</u>
Program Improvements/Offsets	-400

Proposed Actions

The Department is not proposing a separate earmark for incremental mainstream vouchers in fiscal year 2008. Actual funding levels and whether there will be an award competition will depend on on-going programmatic requirements and recaptures.

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Program Offsets
(Dollars in Thousands)

PIH Amendment/Renewal of Mainstream Vouchers (Tenant-Based)	<u>Amount</u>
2006 Appropriation	\$73,319
2007 Full-Year CR Estimate.....	74,745
2008 Request	<u>74,745</u>
Program Improvements/Offsets .....	...
PIH Amendment/Renewal of Mainstream Vouchers (Tenant-Based)	<u>Units</u>
2006 Appropriation	11,061
2007 Full year CR Estimate.....	11,327
2008 Request	<u>11,327</u>
Program Improvements/Offsets .....	...

NOTE: The fiscal year 2006 Appropriation reflects a decrease of \$4.2 million from unobligated balances for 2006 rescission.

Proposed Actions

The Department is proposing \$74.7 million for the renewal and amendment of mainstream vouchers (tenant-based) for persons with disabilities. After the initial funding, the tenant-based units are renewed for 1-year terms.

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Program Offsets
(Dollars in Thousands)

Working Capital Fund	<u>Amount</u>
2006 Appropriation	\$396
2007 Full-Year CR Estimate.....	990
2008 Request	<u>600</u>
Program Improvements/Offsets	-390

Proposed Actions

The Department is proposing to transfer \$600 thousand to the Working Capital Fund for developing and maintaining information technology systems.

Housing for Persons with Disabilities (Section 811)

**HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Program Offsets
(Dollars in Thousands)**

Leverage Financing Demonstration	<u>Amount</u>
2006 Appropriation .....	...
2007 Full-Year CR Estimate.....	...
2008 Request	<u>\$15,000</u>
Program Improvements/Offsets	+15,000

Proposed Actions

A new demonstration of leveraged financing is proposed for development of supportive housing for the persons with disabilities. With the assistance from housing professionals in the private sector, the Department plans to develop and implement a demonstration program that encourages the leveraging of other funds, with a primary focus on tax credit equity, to increase the number of households served in the Section 811 program. In developing the program, the Department will consider mixed-finance arrangements, including low-income housing tax credits and other creative financing options, for development and/or rental operating assistance.

This program will be initiated within the existing statutory framework; however, one of the goals of the demonstration is to identify changes in the administrative guidance, regulations and statute that will assist in encouraging mixed-finance projects.

Housing for Persons with Disabilities (Section 811)

**HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Performance Measurement Table**

Program Name: HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)					
Program Mission: Housing for Persons with Disabilities was authorized by Section 811 of the Cranston-Gonzalez National Affordable Housing Act to provide eligible non-profit organizations with capital advances and rental assistance to provide housing for disabled individuals. The capital advances will be used to finance the acquisition, acquisition with rehabilitation, construction, reconstruction, or rehabilitation of housing intended for use for persons with disabilities. Housing for Persons with Disabilities is designed to meet the special physical needs of disabled individuals and to accommodate the provision of supportive services.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
The share of assisted and insured privately owned multifamily properties that meet HUD established physical standards are maintained at no less than 95 percent.	Real Estate Assessment Center's Physical Assessment Subsystem	No less than 95%	95%	No less than 5%	No less than 95%
For households living in assisted and insured privately owned multifamily properties, the share of properties that meets HUD's financial management compliance is maintained at no less than 98 percent.	Real Estate Assessment Center's Financial Assessment Subsystem and Office of Housing's Real Estate Management System	No less than 98%	98%	No less than 98%	No less than 98%
Increase the availability of affordable housing for the elderly and persons with disabilities by bringing 200 projects to initial closing under Sections 202 and 811.	HEREMS-F24D, based on the Development Applications Processing System, Tracking Sub-Module	250	315	200	200

Housing for Persons with Disabilities (Section 811)

Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
Beginning with awards made in fiscal year 2007 the per unit cost (exclusive of land) of completed Section 811 projects will be within 103 percent of HUD's normalized cost standard, both nationally and in three-fourths of HUD Fields Offices.	Program Office Compilation	NA	NA	NA	Per unit cost is 103% of HUD normalized cost standard nationally and in three-fourths of HUD Field Offices.

NA = Not Applicable

Explanation of Indicators

Nearly two million households headed by an elderly individual or a person with a disability receive HUD rental assistance that provides them with the opportunity to afford a decent place to live and often helps them to live independent lives. The Housing for Persons with Disabilities program continues to enable persons with disabilities to live in mainstream environments. These indicators will measure the success of this program by examining whether service-enriched housing increases the satisfaction of persons with disabilities with their units, developments, and neighborhoods.

The 2008 goal of 200 projects brought to initial closing reflects the static funding of 2005 and 2006, which limited the number of new fund reservations as additional resources were used for renewal of tenant subsidies.

Housing for Persons with Disabilities (Section 811)

HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Justification of Proposed Appropriations Language

For capital advance contracts, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, \$125,000,000, to remain available until September 30, 2011: Provided, That \$600,000 shall be transferred to the Working Capital Fund: Provided further, That up to \$29,500,000 shall be for additional housing assistance under section 811 (b)(2) including up to \$15,000,000 for demonstration program that leverages project awards with other sources of development financing, such as tax credit incentives, to expand housing assistance: Provided further, That of the amount provided under this heading up to \$74,745,000 shall be for tenant-based assistance contracts including renewal or amendment of such contracts: Provided further, That all tenant-based assistance made available under this heading shall continue to remain available only to persons with disabilities: Provided further, That the Secretary may waive the provisions of section 811 governing the terms and conditions of project rental assistance and tenant-based assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further, That amounts made available under this heading shall be available for Real Estate Assessment Center inspections and inspection related activities associated with section 811 capital advance projects.

Explanation of Changes:

The proposed language restructures the account to highlight funding for expansion of existing assistance levels as well as on-going operational costs. The language includes up to \$15 million for the new leverage financing demonstration project.

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Crosswalk of 2006 Availability
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Disabled (Grants and PRAC)	\$141,782	-\$2,562 ^a	...	...	\$253,208	\$392,428
Disabled PRAC Renewal/Amendment	13,518	-135	...	...	1,099	14,482
PIH Disabled - Mainstream Vouchers (Tenant-Based)	5,000	-50	...	...	29,962	34,912
PIH Amendment/Renewal of Mainstream Vouchers (Tenant-Based)	78,300	-4,981 ^a	...	...	1,552	74,871
Leverage Financing Demonstration .....	...	...	...	...	...	...
Working Capital Fund	<u>400</u>	<u>-4</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>396</u>
Total	239,000	-7,732	...	...	285,821	517,089

a/ Includes a rescission of \$5.3 million in unobligated balances from PIH Amendment/Renewal of mainstream Vouchers (\$4.2 million) and Disabled Grants (\$1.1 million).

Housing for Persons with Disabilities (Section 811)

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
Crosswalk of 2007 Changes
(Dollars in Thousands)

<u>Budget Activity</u>	2007 President's Budget Request	FY 2007 CR Estimate	2007 Supplemental/ Rescission	<u>Reprogrammings</u>	<u>Carryover</u>	Total 2007 <u>Resources</u>
Disabled (Grants and PRAC)	\$13,210	\$134,025	...	...	\$205,555	\$339,580
Disabled PRAC Renewal/Amendment	15,005	15,000	...	...	1,785	16,785
PIH Disabled - Mainstream Vouchers (Tenant-Based)	14,850	14,850	...	...	29	14,879
PIH Amendment/Renewal of Mainstream Vouchers (Tenant-Based)	74,745	74,745	...	...	22,977	97,722
Leverage Financing Demonstration ....	...	...	...	...	...	...
Working Capital Fund	<u>990</u>	<u>990</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>990</u>
Total	118,800	239,610	...	...	230,346	469,956