

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
2011 Summary Statement and Initiatives
(Dollars in Thousands)**

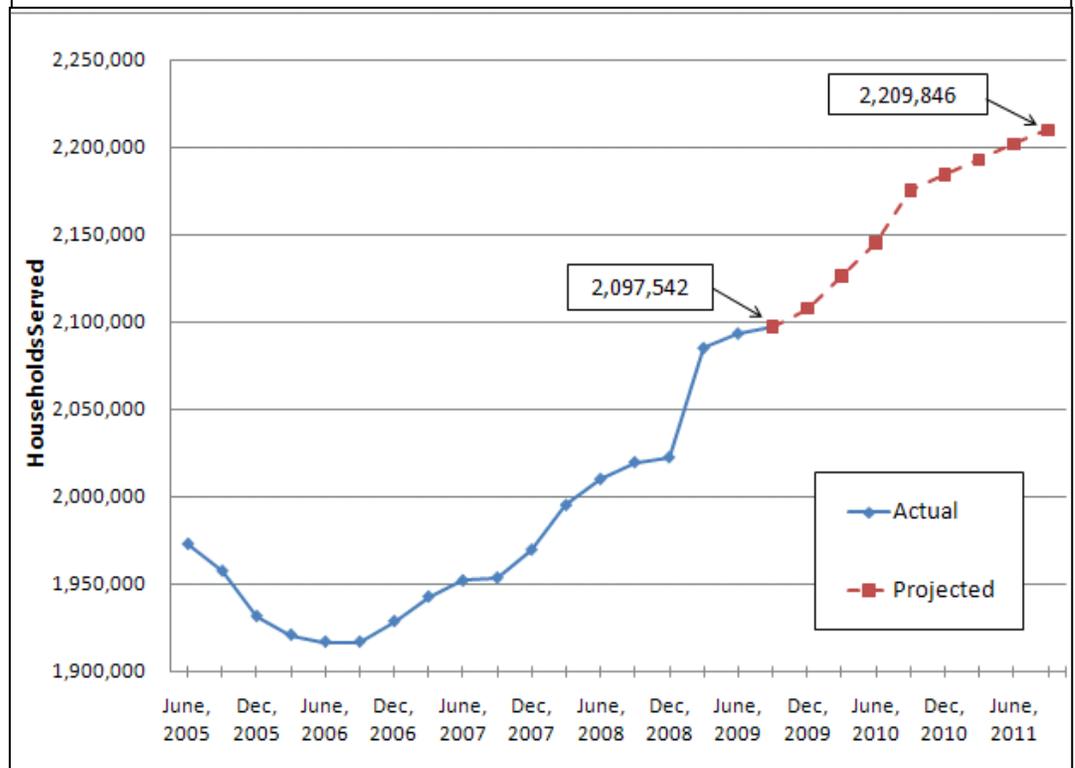
TENANT-BASED RENTAL ASSISTANCE	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2009 Appropriation	\$16,975,000	\$356,380	-\$750,000	\$16,581,380	\$16,288,553	\$15,980,940
2010 Appropriation/Request	18,184,200	291,290	...	18,475,490	18,475,490	17,739,013
2011 Request	<u>19,550,663</u>	...	...	<u>19,550,663</u>	<u>19,550,663</u>	<u>19,076,008</u>
Program Improvements/Offsets	+1,366,463	-291,290	...	+1,075,173	+1,075,173	+1,336,995

Summary Statement

The Section 8 Tenant-Based Rental Assistance or Housing Choice Voucher (HCV) program is widely recognized as a cost-effective means for delivering decent, safe, and sanitary housing to low-income families in the private market. (See *Housing Choice Voucher Tenant Characteristics 2009* chart on page 5) The rental assistance is provided on behalf of the family or individual so that participants are able to find and lease privately owned housing. In fiscal year 2009, the Department assisted over 2 million families with this program; and, in fiscal year 2010, the Department plans to assist approximately 78,000 more families through new incremental vouchers funded with 2010 and prior year funds. In 2010, the Department is maximizing the effectiveness of the HCV program and is initiating plans to transform the program through investments in the Transformation Initiative. This includes a Next Generation Voucher Management System (VMS), HCV Administrative Study, Area Rent Survey, Moving to Work (MTW) Evaluation Study, and an Assessment of Recovery Efforts for Troubled PHAs.

This Budget represents the Department's renewed commitment to transformation efforts initiated in fiscal year 2010. The calendar year request for 2011 is \$19.6 billion, a \$1.4 billion increase from the 2010 Consolidated Appropriations Act. Of the \$19.6 billion request, \$17.3 billion will cover the renewal of

Figure 1: Households Served (2005 – 2011)



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expiring annual contribution contracts (ACC) in calendar year 2011; \$1.8 billion for Administrative Fees; \$125 million for Tenant Protection vouchers; \$60 million will support Family Self-Sufficiency (FSS) activities; and \$66 million will support disaster vouchers for families affected by Hurricanes Ike and Gustav. In addition, this Budget requests \$85 million for incremental vouchers to help homeless and at risk individuals and families with special needs stabilize their housing situation and improve their health status as well as \$114 million for the shift of the renewal of mainstream vouchers from the Section 811 account to the Tenant-Based Rental Assistance account.

HCV Goals and Objectives

The Department is in the process of revamping its strategic goals and annual performance objectives. Through this Budget, the Department reaffirms its commitment to improving the Section 8 program. This includes:

1. Design a comprehensive development strategy to improve HUD Information Technology systems to better manage and administer the Voucher program;
2. Implement an improved Section 8 Management Assessment Program that will ensure strengthened oversight, quality control, and performance metrics for the voucher program;
3. Continue the study to develop a formula to allocate administrative fees based on the cost of an efficiently managed PHA operating the voucher program;
4. Develop a study to evaluate current Housing Quality Standards and improve the unit inspection process; and
5. Eliminate the cap restriction imposed by past Appropriations Acts on the number of families that each PHA may serve.

Transforming HUD's Rental Assistance Programs

In fiscal year 2011, HUD proposes to initiate a long-term initiative called Transforming Rental Assistance (TRA). The first phase of the initiative will provide \$350 million to preserve approximately 300,000 units of public and assisted housing, increase administrative efficiency at all levels of program operations, and enhance housing choice for residents.

The Administration will transmit to the Congress proposed legislation to amend the Project-Based Voucher program under section 8(o)(13) of the U.S. Housing Act and authorize the long-term property-based rental assistance contracts that include a resident mobility feature that would be funded by the Budget request. Enactment of a number of the provisions in the Section 8 Voucher Reform Act is also an integral part of the Transforming Rental Assistance initiative. The Administration will work with the Congress to finalize this vital legislation. More information on this new program is available in the TRA section of the 2011 Congressional Justifications.

Business Process Re-engineering/Business Process Improvements (BPR/BPI)

The Department has identified significant business and data process weaknesses in the HCV Program which adversely impact the Department's ability to forecast funding requirements, monitor PHAs, respond to HCV related inquiries for funding usage/justification, integrate with HUD's other rental housing assistance programs among other programmatic needs. This leaves the Department exposed to risks regarding the integrity of its entire rental assistance portfolio.

In response, a complete plan was developed in 2009 to improve the business processes for administering HCV and replace its VMS technology. The primary goal of the project is to build HUD's next generation voucher management system, with the appropriate set of tools to manage and administer the program and provide the following:

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1. Improved oversight, monitoring and information sharing through improved data accessibility and reporting;
2. Increased efficiency and accountability in the budgeting and allocation of funds from HUD to Housing Agencies;
3. Improved management of customer and partner profiles and information;
4. Less fraud, waste, abuse and mismanagement through sophisticated and automated tracking of program administrator's utilization of funds;
5. Automate multiple manual processes;
6. Consolidate systems and business processes within the HCV program and across HUD by analyzing and applying software and process solutions from other rental housing assistance programs including but not limited to Multifamily Housing; and
7. Stabilize current operations.
 - a. Improve the current VMS system to satisfy immediate rental housing assistance (RHA)/HCV needs.
 - b. Upgrade systems to meet HUD's Enterprise Architecture standards, including Oracle databases and Java programming.
 - c. Implement a Data Warehouse with the capability to support the current and new generation of VMS.

The current HCV systems (manual and automated) are plagued by processing redundancy, lack of cohesive integration, manual data integration, and the lack of automated accountability and monitoring controls. Weaknesses in oversight and monitoring make it difficult to validate program compliance and specific system control objectives.

The next-generation VMS will fundamentally improve the business performance of HUD's RHA line of business. Based on the recommendations from the HUDwide RHA blueprint, this project will assist the Office of Public and Indian Housing (PIH) to improve automated tracking controls across the full PIH Section 8 line of business processes. It will also begin to integrate HCV with the RHA programs managed by the Office of Multifamily Housing. By aligning current HCV processes with HUD's other lines of business, PIH intends to simplify business operations and maximize investment returns for the Department with a business-driven, service-oriented solutions approach through shared and standard technology.

High Priority Performance Goal: Rental Assistance

This program is part of an overall High Priority Performance Goal to meet more of the growing need for affordable housing by serving an estimated 5.46 million families, an increase of 207,000 more than in fiscal year 2009. The main contributors to this goal are Housing Choice Vouchers, Public Housing Operating and Capital Programs, Tax Credit Assistance Program (TCAPS), Gulf Coast Disaster Housing, Low-Income Housing Tax Credit (LIHTC), Project Rental Assistance Contracts (PRAC), and HOME Investment Partnerships Program (HOME).

Affordability problems have been exacerbated by the recession and the increasing demand for rental housing generated by the foreclosure crisis. At the same time, the freeze in the credit markets and the sharp reduction in demand for LIHTC have greatly diminished the private capital available to improve and expand the supply of affordable rental housing.

Only about one in four families are eligible for HUD/Federal rental assistance programs receives assistance. The number of families struggling to make ends meet in the face of severe rent burdens has increased substantially during this decade. One of HUD's critical strategic goals is to catalyze affordable rental housing. After 8 years of drift, the Federal leadership on affordable housing issues must be restored. HUD envisions a strategic partnership that strives to address the persistent un-affordability of housing in three ways:

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- Supplementing incomes via an enhanced commitment to rental vouchers;
- Preserving existing affordable housing through smart investments in Public, Native American and assisted housing; and
- Expanding supply by capitalizing the new national Housing Trust Fund.

High Priority Performance Goal: Veteran's Homelessness

This program supports the High Priority Performance Goal shared with the Department of Veterans Affairs (VA) to jointly reduce homelessness among veterans. The efforts will reduce the number of homeless veterans to 59,000 in fiscal year 2012.

At HUD, the Office of Special Needs Assistance Programs (SNAPS) in Community Planning and Development (CPD) will be the lead for data collection, evaluation and reporting related to the stated goal, the Office of Public and Indian Housing (PIH) is also critical to the success of the goal. PIH operates the voucher portion of the HUD VASH program, which represents a large proportion of the new housing resources available to veterans and their families. HUD partners with the VA on VASH. While HUD provides the housing resources, VA controls the intake and eligibility screening process and provides an array of needed services. The VA has an array of programs to reduce homelessness and will be an integral partner in relation to this goal.

Tenant-Based Rental Assistance

The Housing Choice Voucher program is the Federal Government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The table below depicts demographic information of the families served.

Housing Choice Voucher Tenant Characteristics 2009			
<p>Regional Breakdown</p> <p> <ul style="list-style-type: none"> New England New York/New Jersey Mid-Atlantic Southeast/Caribbean Midwest Southwest Great Plains Rocky Mountains Pacific/Hawaii Northwest/Alaska </p>	<p>Disabled HoH***</p> <p>39%</p>	<p>Ethnicity Characteristics</p> <p>Hispanic 17%</p> <p>Non-Hispanic 83%</p>	<p>Average HAP*</p> <p>\$631</p>
	<p>Elderly HoH***</p> <p>19%</p>	<p>HoH Race Characteristics***</p> <p>White Only 52%</p> <p>Black Only 44%</p> <p>American Indian/ Native American 1%</p> <p>Asian 2%</p> <p>Mix/Unknown 2%</p>	<p>Average Tenant Contribution</p> <p>\$319</p>
	<p>Family Size</p> <p>1 Person 36%</p> <p>2 Persons 22%</p> <p>3 Persons 18%</p> <p>4 Persons 13%</p> <p>5 Persons 7%</p> <p>6 Persons 3%</p> <p>7 Persons 1%</p> <p>8+ Persons 1%</p>	<p>Income Status****</p> <p>Extremely Low- Income (≤ 30% AMI) 62%</p> <p>Very Low- Income (≤ 50% AMI) 19%</p> <p>Low- Income (≤ 80% AMI) 4%</p> <p>Above Low -Income (> 80% AMI) 0%</p> <p>Income Data Not Available In PIC 14%</p>	<p>Average Rent</p> <p>\$945</p>
	<p>Families with Children</p> <p>52%</p>	<p>Average Family Size</p> <p>2.5</p>	<p>Any Income from Wages**</p> <p>34%</p>	Average Gross Income $12,785
<p>Female Headed Households</p> <p>81%</p>			

Source: 2009 Public and Indian Housing Information Center (PIC) data

* Average monthly Housing Assistance Payment (HAP) of \$631 is from the Voucher Management System (VMS)

** Wages from non-elderly non-disabled households

*** HOH is Head of Household

NOTES: AMI is Area Median Income

Average rent is an estimate based on data from the VMS and PIC systems

Tenant-Based Rental Assistance

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TENANT-BASED RENTAL ASSISTANCE
Summary of Resources by Program
(Dollars in Thousands)**

Budget Activity	2009 Budget Authority	2008 Carryover Into 2009	2009 Total Resources	2009 Obligations	2010 Budget Authority/ Request	2009 Carryover Into 2010	2010 Total Resources	2011 Request
Contract Renewals	\$14,456,071	\$2,302	\$14,458,373	\$14,390,553	\$16,239,200	\$67,821	\$16,307,021	\$17,114,493
Administrative Fees ...	1,436,000	68,101	1,504,101	1,480,065	1,575,000	30,427	1,605,427	1,791,000
Section 8 Rental Assistance	150,000	100,328	250,328	167,696	120,000	82,631	202,631	125,000
FSS Coordinators	50,000	49,008	99,008	48,954	60,000	50,054	110,054	60,000
Veterans Affairs Supportive Housing (VASH) Program	75,000	1,641	76,641	75,665	75,000	976	75,976	...
Working Capital Fund (transfer)	7,929	...	7,929	...	...	...	...	...
Non-Elderly Disabled .. Family Unification Program	30,000	30,000	60,000	19,913	...	40,087	40,087	...
Disaster Displacement Assistance	20,000	20,000	40,000	24,094	15,000	15,906	30,906	...
Section 811 Mainstream Renewals .....	...	85,000	85,000	81,612	...	3,388	3,388	...
Disaster Housing Assistance Program for Hurricanes Ike and Gustav .....	...	...	...	...	...	...	...	66,000
Transformation Initiative (transfer) .....	...	...	...	...	100,000	...	100,000	195,507
Housing and Services for Homeless Persons Demonstration .....	...	...	...	...	...	...	...	85,000
Total	16,225,000	356,380	16,581,380	16,288,552	18,184,200	291,290	18,475,490	19,550,663

Tenant-Based Rental Assistance

NOTE: "2009 Budget Authority" is net of rescissions. \$100 million from Transformation Initiative transferred from Contract Renewals in 2010, and 1 percent (\$196 million) transferred in 2011. The Administrative Fee carryover is needed for calendar year 2009 Admin Fee settlements and will not be available for calendar year 2010 Administrative Fee needs.

FTE	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Estimate</u>
Headquarters	238	268	264
Field	<u>158</u>	<u>179</u>	<u>192</u>
Total	396	447	456

Tenant-Based Rental Assistance

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Contract Renewals	<u>Amount</u>
2009 Appropriation	\$14,456,071
2010 Appropriation/Request	16,239,200
2011 Request	<u>17,114,493</u>
Program Improvements/Offsets	+875,293

NOTE: The actual calendar year distribution allocations, including the rescission from Net Restricted Assets Balances (NRA), are as follows:

<u>Calendar Year</u>	<u>New Budget Authority</u>	<u>NRA Offset / Transformation Initiative a/</u>	<u>Net Budget Authority</u>	<u>Renewal Set-Aside</u>	<u>Calendar Year Allocation</u>
2009	15,034,071	(750,000)	14,284,071	100,000	14,184,071
2010	16,339,200	(100,000)	16,239,200	150,000	16,089,200
2011	17,310,000	(195,507)	17,114,493	150,000	16,964,493

a/ 2009 reflects the offset from 2009 Omnibus Appropriations Act, 2010 and 2011 reflect Transformation Initiative transfers

Proposed Actions

Contract Renewals provide funding to renew expiring Section 8 tenant-based rental assistance contracts on a calendar-year basis. For calendar year (CY) 2011, the Department requests a gross appropriation of \$17.3 billion in Contract Renewals funding. This amount includes a transfer of \$195.5 million to the Transformation Initiative account for a net appropriation of \$17.1 billion.

The \$17.1 billion request will allow the Department to assist approximately 2.2 million families with this program by the end of 2011. This will be the most families ever assisted by this program. The increase in funding for the HCV account is primarily attributable to an increase in leasing levels, which includes incremental vouchers from fiscal years 2008-2010 rolling into the contract renewal base, and increases in the national per unit cost (PUC).

Increased Leasing and Incremental Vouchers

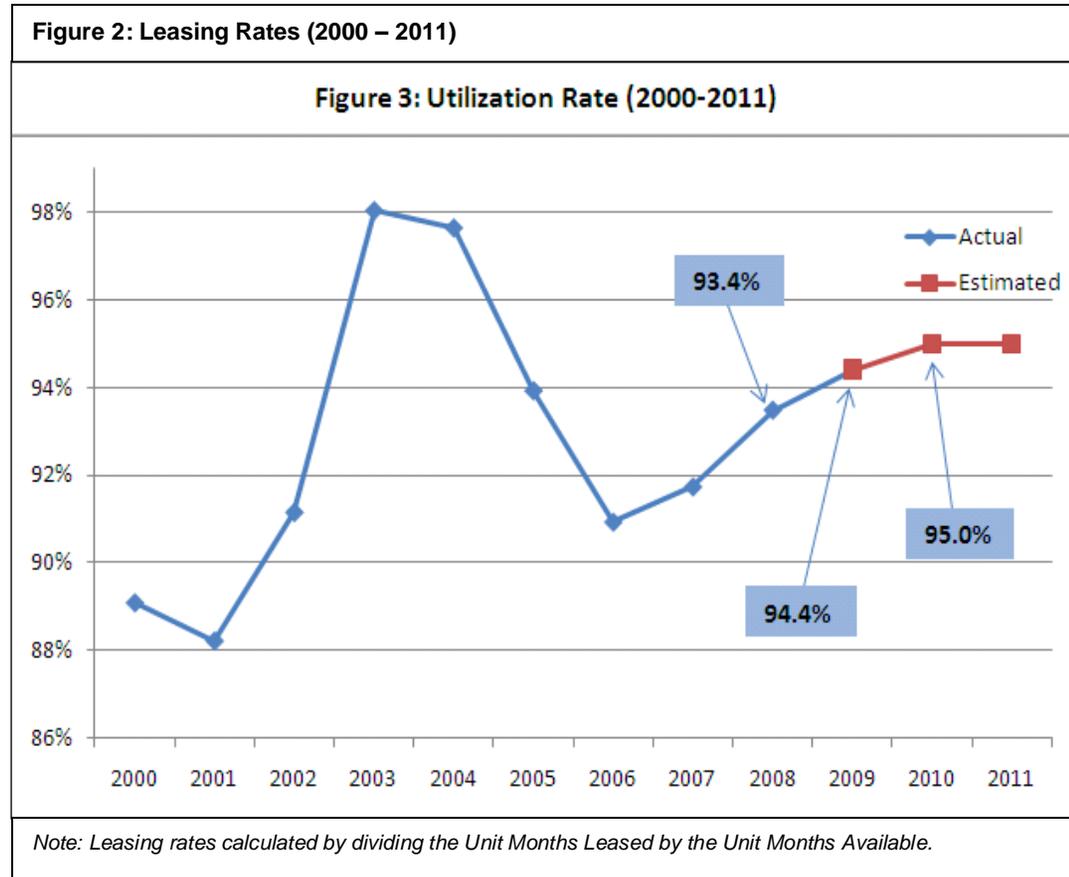
In 2009, PHAs increased their leasing levels by maximizing their leasing of available units under ACC during a time when the demand for housing assistance was heightened as a result of declining economic conditions. From the beginning of fiscal year 2008 to the end of fiscal year 2009, voucher utilization levels rose each month, almost without exception, from 91.8 percent to 95 percent by the end of fiscal year 2009, as shown in Figure 2. At the start of the same 24-month period, non-MTW PHAs utilized 94.2 percent of their available budget authority to make Housing Assistance Payments (HAP) on behalf of low-income families. By the end of fiscal year 2009, Non-MTW PHAs were spending 101.2 percent of their available budget authority.

In addition to increased leasing levels of the available baseline units, in 2009 and 2010, the Department expects the program to expand by almost 135,000 additional families. Much of this expansion is a result of new incremental vouchers funded by the 2008, 2009, and 2010 Appropriations Acts that will roll into the contract renewal base in 2011. The Department’s request will fully fund the renewal of all incremental vouchers in 2011.

Increased Per Unit Costs

The rise in HAP expenses reflects the increased PUC necessary to support each voucher household. Over the 24-month period ending in fiscal year 2009, the monthly PUC changed from \$578 to \$631 reflecting a difference of 9.2 percent. One possible explanation for this trend could be an increase in gross rents across the country for those market areas in which voucher holders reside. In addition, studies by the Office of Policy Development and Research have shown that new admissions to the voucher program are, on average, poorer than existing tenants. This places additional demands on HAP resources, as there has been \$528 million in funding appropriated for incremental vouchers in the HCV program in 2008, 2009, and 2010 which will roll into the renewal base in 2011. In order to continue providing rental assistance, PHAs used their on hand NRA as well as administrative fee reserves to continue to support voucher participants. In many instances, renewal costs have outpaced the local AAF for PHAs, so that they utilized Net Restricted Assets (NRA) as well as administrative fee reserves to continue to serve Housing Choice Voucher (HCV) participants.

Figure 2: Leasing Rates (2000 – 2011)



Tenant-Based Rental Assistance

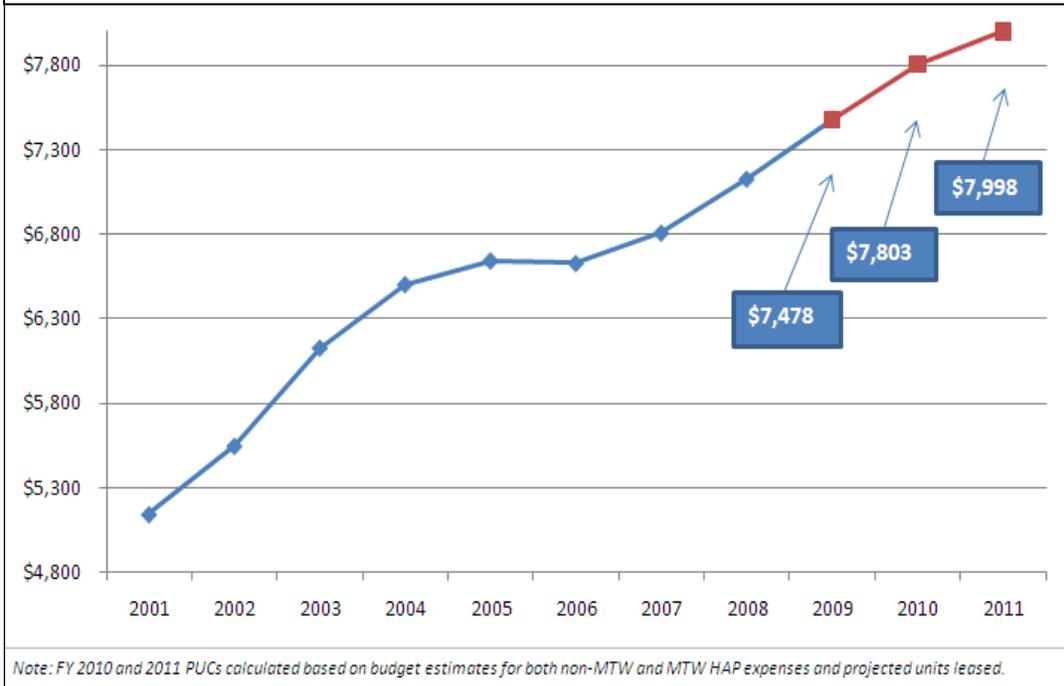
The Department also requests authority in the 2011 Budget to offset PHA contract renewal allocations based on NRA balances remaining when the 2011 Appropriations Act passes. The Department requests the flexibility to offset a PHA's renewal allocation by an amount not to exceed 6 percent of a PHA's 2011 calendar year budget authority prior to proration. The Secretary would be required to reallocate funds from the offset to avoid or reduce a proration in renewal funding. If contract renewal funding is at 100 percent and there are funds remaining, the Secretary has the discretion to reallocate funds for other purposes. This policy will help ensure that all contract renewal appropriations are used to assist the maximum number of families possible and will also improve funding utilization going forward by encouraging PHAs to fully use their annual allocation. This policy may also assist in mitigating or avoiding PHA shortfalls. In calendar year 2009, 182 PHAs needed additional funds to prevent the termination of families.

Furthermore, the Department requests \$150 million as a set-aside within the Contract Renewals allocation to fund: (1) significant increases in renewal costs resulting from unforeseen circumstances or portability; (2) adjustments for vouchers not in use during the 12-month period to meet a commitment pursuant to section 8(o)(13) of the Act; (3) for any increase in costs associated with deposits to FSS program escrow accounts; (4) adjustments for PHAs in receivership with approved fungibility plans for calendar year 2009 so that the agency will not lose renewal funding as a result of fungibility activities; or (5) to prevent termination of assistance for families receiving assistance under the Disaster Voucher Program as authorized by Public Law 109-148. The Secretary will be able to make set-aside determinations based on need. The set-aside amounts are less than 1 percent of the contract renewal request and allow the Secretary to make critical adjustments to PHA's baseline funding.

Moving-to-Work (MTW)

Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P. L. 104-134, hereinafter "MTW Statute") provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the "1937 Act") and voucher program funds provided under Section 8 of the 1937 Act "to provide housing assistance for low-income families, as defined in

Figure 3: Annualized Per Unit Costs FY 2001-2011



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section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.”

The MTW language above is intended to allow for the use of appropriated funds beyond Sections 8 and 9 of the United States Housing Act of 1937, provided the agency in the MTW demonstration program uses its combined funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, and provided such uses are consistent with other requirements of the MTW Statute and have been proposed in an agency’s Annual MTW Plan and approved by HUD.

MTW agencies have used the flexibility provided in innovative ways to assist their clients. The following are a few examples of the innovative activities MTW agencies have engaged in with their broader use authority:

- Some agencies have expanded housing opportunities and encouraged self sufficiency by shifting the award of a voucher from individual households to service providers, who in turn have the responsibility for creating supportive housing opportunities. The service provider “sponsors” can then offer units to hard-to-house households. The sponsor-based voucher allows them to make use of the subsidy while receiving both services and shelter. The goal is that service providers help to cycle such participants from the street to a more permanent housing situation.
- Other agencies have or plan to increase housing choice by utilizing funds combined under MTW authority to develop housing for low-income persons, This permits agencies to increase their ability to leverage funding opportunities, develop a better housing product and locate assisted housing in lower poverty areas.

The Department seeks to continue to expand the MTW program. The fiscal year 2009 Appropriations Act required the addition of 3 MTW agencies in fiscal year 2009 and the fiscal year 2010 Appropriations Act allows HUD to add three more.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Administrative Fees	<u>Amount</u>
2009 Appropriation	\$1,436,000
2010 Appropriation/Request	1,575,000
2011 Request	<u>1,791,000</u>
Program Improvements/Offsets	+216,000

Proposed Actions

In fiscal year 2011, The Department requests \$1.8 billion for Administrative Fees, a \$216 million increase above the 2010 enacted level. Administrative Fees are a vital component of the Housing Choice Voucher (HCV) program, which provide Public Housing Authorities (PHA) with the resources necessary to administer Section 8 vouchers. Approving units, evaluating tenant eligibility, and reviewing applications are personnel intensive processes for PHAs. Administrative Fees are necessary to maintain an effective level of service delivery and ensure that the right benefits are going to the right people.

Based on the amount appropriated, the administrative fees paid to PHAs during calendar years 2008 and 2009 was consistently prorated downward to approximately 90 percent of eligibility. The Department’s request maintains the same estimated proration in 2011. The increase in the amount requested is due to the increase in the number of vouchers that will require administrative fees.

Administrative Fee Study

The voucher program consists of two main cost components: Housing Assistance Payments (HAPs) made to owners to cover the difference between tenant rent contributions and contract rents, and Administrative Fees paid to PHAs for the cost of administering the Section 8 program. However, it is unknown whether the current prorated administrative fee is sufficient and accurately reflects the cost of administering the program. This is attributable to outdated and insufficient data on the actual costs of performing all of the PHA responsibilities related to the program; the last comprehensive study on Administrative Fees was performed in 1988 and the purpose of that study was to compare the cost of the voucher program to the certificate program.

Thus, an in-depth time and motion study on the cost necessary to administer the voucher program effectively will provide justification for an adequate Administrative Fee funding formula. The time-and-motion study will identify a representative sample of high performing PHAs that are running efficient HCV programs. A contract is tentatively scheduled to be awarded in June 2010. It is anticipated to take approximately 6 months for PHA identification and study logistics and then another 18 months for data collection, which would be recorded by PHA staff on a monthly basis. This Budget provides for the continuation of the Department’s Administrative Fee study to ascertain the actual costs of running an efficient voucher program for the purpose of developing a formula for allocating Administrative Fees. The Department’s commitment to this administrative fee study represents a larger commitment to ensuring that PHAs receive adequate compensation for their services.

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Program Offsets
(Dollars in Thousands)**

Section 8 Rental Assistance	<u>Amount</u>
2009 Appropriation	\$150,000
2010 Appropriation/Request	120,000
2011 Request	<u>125,000</u>
Program Improvements/Offsets	+5,000

Proposed Actions

The Department proposes \$125 million in new budget authority for Section 8 Rental Assistance (Tenant Protection vouchers) in 2011. This request is necessary to provide housing for HUD-assisted families who are at risk of displacement from the public housing, moderate rehabilitation and HUD Multifamily Housing programs through no fault of their own. These funds will provide Housing Choice Voucher (HCV) assistance for residents affected by property disposition activities, opt-out/terminations, portfolio re-engineering, preservation prepayment, replacement/relocation vouchers for Section 202 Mandatory Conversion, project-based moderate rehabilitation, project-based moderate rehabilitation Single Room Occupancy (SRO), HOPE VI, and Section 33 of the U.S. Housing Act of 1937, as amended. Eligible uses also include family unification, witness relocation, conversion of Section 23 projects to Section 8 assistance and other types of project-based rental assistance to Section 8.

Tenant Protection vouchers (Section 8 Rental Assistance) are demand-driven, typically by individual owner and PHA decisions, making it difficult to estimate the actual needs for the calendar year. There are a number of different reasons for conversion actions, including:

- Multifamily Housing owners can decide to opt out or not renew expiring Section 8 project-based contracts provided they have satisfied statutory notification requirements for termination. Owners routinely provide this notification even though they do not actually opt-out to keep their options open, making it an unreliable indicator of future opt-out activity. In addition, owners may also prepay the mortgage or voluntarily terminate the mortgage insurance at Multifamily Housing projects, removing the rent restrictions on their properties.
- If Multifamily Housing units fail to meet physical and financial standards and requirements as established by HUD, HUD may terminate the Section 8 assistance contract, which increases the need for tenant protection vouchers.
- With respect to public housing, PHAs may request vouchers for replacement and relocation assistance for families occupying properties with a HUD-approved demolition/disposition plan.

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Program Offsets
(Dollars in Thousands)**

FSS Coordinators	<u>Amount</u>
2009 Appropriation	\$50,000
2010 Appropriation/Request	60,000
2011 Request	<u>60,000</u>
Program Improvements/Offsets .....	...

Proposed Actions

The Family Self-Sufficiency (FSS) program helps participants achieve employment goals and accumulate assets. FSS program participants receive training and counseling that enables them to increase their earned income and decrease or eliminate the need for rental assistance. As a result, rental assistance resources are freed up for other families. Services required by FSS program participants, including child care, transportation, education, job training, employment counseling, substance/alcohol abuse treatment or counseling, household skill training, and homeownership counseling, are not funded by the FSS program. FSS coordinators are essential to the success of the FSS program because they link program participants to the supportive services available in their communities.

In fiscal year 2009, 55,231 families were enrolled in the HCV/FSS program. Approximately 60 percent of families that had been enrolled for at least 1 year reported an increase in earned income since their enrollment in the FSS program. According to records in the Public and Indian Housing Information Center (PIC) data system, 3,134 families completed their FSS contracts in fiscal year 2009. Thirteen percent of participants who completed their FSS contracts in 2009 moved to homeownership and 635 families that were current HCV/FSS program participants purchased homes through the voucher homeownership option of the HCV program in fiscal year 2009. With the \$49 million appropriated in fiscal year 2008, the Department provided funding for salaries of 1,018 coordinators. The Department intends to award funding from the 2009 NOFA in February 2010. With the \$60 million for HCV/FSS administrative fees requested in fiscal year 2011, the Department will be able to continue positions that will be funded in fiscal year 2010.

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Program Offsets
(Dollars in Thousands)**

Veterans Affairs Supportive Housing (VASH) Program	<u>Amount</u>
2009 Appropriation	\$75,000
2010 Appropriation/Request	75,000
2011 Request	<u>---</u>
Program Improvements/Offsets	-75,000

Proposed Actions

The Veterans Affairs Supportive Housing (VASH) program provides HUD rental assistance (Housing Choice) vouchers for use by homeless veterans supports the High Priority Performance Goal to reduce homelessness among veterans shared with the Department of Veterans Affairs (VA). Veterans who participate in this program must agree to case management services provided through the Department of Veterans Affairs (VA). As of the end of November 2009, 7,398 fiscal year 2008 HUD-VASH vouchers were leased and 1,939 additional vouchers were issued to veterans seeking housing. Ten thousand two hundred ninety HUD-VASH vouchers were awarded to PHAs from the fiscal year 2009 appropriation and previously appropriated amounts. Participating PHAs, in partnership with VA Medical Centers, are helping homeless veterans find housing. In 2010, the Department received an additional \$75 million for new VASH vouchers. In 2011, the Department is not requesting new funds for VASH vouchers, but will focus its efforts on the administration of previously appropriated amounts. These vouchers will remain targeted for use by the intended population upon turnover.

**PUBLIC AND INDIAN HOUSING
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Program Offsets
(Dollars in Thousands)**

Working Capital Fund (transfer)	<u>Amount</u>
2009 Appropriation	\$7,929
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

In fiscal year 2011, information technology related activities will continue to be funded through the Department’s Transformation Initiatives. More details on the overall transformation initiative and these projects are in the justification for the Transformation Initiative account.

In fiscal year 2009, the Office of Public and Indian Housing accomplished the following:

- Award of two contracts for upgrading IT Infrastructure (Enterprise Architecture) for PIH systems;
- 90 percent completion of the Department’s Uniform Physical Inspection Condition Standards (UPCS) Inspection Software version 4.0 of the Physical Inspection system enabling real time data entry error checking capability and optimizing the Time Stamp Analysis for enhanced inspection tracking and validation;
- Implemented income verification using the National Directory of New Hires (NDNH) for Multifamily Housing and improved PIH wage matching; and
- Implemented income verification ability to work with the families referred by the Department of Homeland Security’s (DHS) Federal Emergency Management Administration (FEMA) for temporary housing assistance through the Disaster Housing Assistance Program (DHAP) to help eliminate fraud, waste and abuse.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Non-Elderly Disabled	<u>Amount</u>
2009 Appropriation	\$30,000
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

The Department provides HCV assistance for Non-Elderly Disabled families pursuant to the 2008 and 2009 Appropriations Acts. Currently, the Department has awarded 1,917 Non-Elderly Disabled vouchers, amounting to half of the fiscal year 2008 Appropriations. The other half was carried forward to be awarded under the fiscal year 2009 Notice of Funding Availability (NOFA) announcement, which was initially published for public comment on June 22, 2009. The 2008 funding was moved to the 2009 NOFA because not many PHAs applied for the funding and as a result, the money was not fully utilized by the end of the fiscal year. Awarding of the 2009 funds will likely occur in late summer of 2010. Although the 2011 Budget does not propose additional funds for this activity, the Department's request includes sufficient funds to renew these vouchers as part of the Contract Renewal for calendar year 2011. These vouchers will remain targeted for use for the intended population upon turnover.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Family Unification Program	<u>Amount</u>
2009 Appropriation	\$20,000
2010 Appropriation/Request	15,000
2011 Request	<u> </u>
Program Improvements/Offsets	-15,000

Proposed Actions

The Family Unification Program (FUP) is a program under which vouchers are provided to: (1) families for whom the lack of adequate housing is a primary factor in the separation, or imminent placement, of a child, or children, in out-of-home care, or the delay in the discharge of the child or children, to the family from out-of-home care, and (2) youths 18 to 21 years old, who left foster care at age 16 or older and lack adequate housing. The 2010 Consolidated Appropriations Act included \$15 million in FUP funding, which will provide approximately 2,000 new vouchers.

Currently, the Department has awarded 3,200 rental assistance vouchers to 48 Public Housing Authorities across the United States to reunite more than 7,500 children currently in foster care with their parents. The Department is not requesting additional vouchers for this initiative in 2011 but will continue to focus its attention on the effective administration of previously appropriated amounts.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Disaster Housing Assistance Program for Hurricanes Ike and Gustav	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request .....	...
2011 Request	<u>\$66,000</u>
Program Improvements/Offsets	+66,000

Proposed Actions

The Disaster Housing Assistance Program for Hurricanes Ike and Gustav (DHAP-IKE) provides continued assistance to victims who were displaced by Hurricanes Ike and Gustav and who received temporary housing assistance under the FEMA-HUD Disaster Housing Assistance Program for Hurricanes Ike and Gustav (DHAP-IKE). The DHAP-IKE assistance expires on March 13, 2010, but the states of Texas and Louisiana have requested to extend DHAP-IKE. This extension would affect all families in all states across the country, due to the portable nature of the vouchers. HUD and FEMA are currently in negotiation on a modification to the existing DHAP-IKE Interagency Agreement (IAA) that would extend the program pursuant to these requests. The Department estimates that 8,700 families will need assistance when this program expires. Without the continued assistance provided through this request, families could experience extreme rent burden or face homelessness. The Department is committed to protecting this population who have been impacted by a catastrophic disaster and are unable to return to their previous level of self-sufficiency. Therefore, the Department requests \$66 million to provide continued assistance to eligible DHAP-IKE families who will need continued rental assistance. These vouchers will not be renewed as the families assisted with these vouchers leave the program.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Section 811 Mainstream Renewals	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request .....	...
2011 Request	<u>\$113,663</u>
Program Improvements/Offsets	+113,663

Proposed Actions

The Housing for Persons with Disabilities (Section 811) program provides vouchers to enable persons with disabilities access to affordable, private housing of their choice. 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 the disabled individuals. Housing for Persons with Disabilities is designed to meet the special physical needs of disabled individuals and to accommodate the provisions of supportive services.

The 2011 Budget proposes shifting the \$113.6 million required to renew nearly 15,000 Mainstream Vouchers and provide for administrative fee funding from the Section 811 account to the Tenant-Based Rental Assistance account.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Housing and Services for Homeless Persons Demonstration	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request .....	...
2011 Request	<u>\$85,000</u>
Program Improvements/Offsets	+85,000

Proposed Actions

The Department requests \$85 million for incremental voucher assistance for the new Housing and Services for Homeless Persons Demonstration. This demonstration is constructed on the premise that targeted programs alone cannot end homelessness. Mainstream housing, health, and human service programs will have to be more fully engaged to prevent future homelessness and significantly reduce the number of families and individuals who are currently homeless. Two separate initiatives will be funded in an effort to demonstrate how mainstream programs can be aligned to significantly impact homelessness. One will focus on individuals with special needs who are homeless or at risk of homelessness. The other will focus on families that are homeless or at risk of homelessness. Vouchers for both initiatives will be distributed competitively to Public Housing Agencies that partner with health, human service, employment, and education agencies to address the needs of homeless families and individuals.

Initiative 1: Individuals with special needs who are homeless or at risk of homelessness:

This initiative is designed to model ways that resources across two Federal agencies can be brought to bear to address the housing and service needs of persons with special needs that are homeless or are at risk of homelessness. Recently released data from HUD's Annual Homeless Assessment Report (AHAR), points to the fact that over 42 percent of the homeless population living in shelters in 2008 (October 2007-September 2008), had a disabling condition. The primary goal is to offer a clear alternative to the only choice some persons with disabilities currently have, which is to move to an institutional setting inappropriate to the level of their needs or wishes, or to become homeless.

In recent years, a significant body of research has emerged suggesting the potential of housing to improve health outcomes of residents and reduce their high-cost use of publicly funded health and social services. A preliminary analysis of several recent studies looking at the cost of providing supportive housing versus the current system of disconnected services and street, shelter, or transitional housing residency reveals that an increased housing expenditure of \$6,899 (on average) can result in savings, on average, in a number of other systems such as: \$3,270 in Medicaid costs, \$1,402 in emergency room services, \$4,966 in behavioral health services, and \$4,366 in substance abuse detoxification costs.

Tenant-Based Rental Assistance

The key to the success of the supportive housing approach in meeting the needs of homeless persons with special needs is access to affordable housing (often through a tenant-based or project-based subsidy) and, on a voluntary basis, to the array of human services needed to stabilize families and individuals in their housing. This HUD-HHS demonstration would combine Housing Choice Vouchers with health, behavioral health and other support services to move and maintain up to 4,000 chronically homeless individuals with mental and substance use disorders into permanent supportive housing. The demonstration will target low-income, single, childless adults who are homeless and who are already enrolled in Medicaid through coverage expansion under 1115 waivers or state only initiatives. Eligible individuals will receive a housing voucher through public housing agencies (PHAs) to provide subsidized access to permanent housing and health and behavioral health services through their existing Medicaid eligibility. In addition, HHS will partner with HUD to leverage grants administered by the Substance Abuse and Mental Health Services Administration to provide wraparound support to promote housing stability and improvements in health outcomes for this population.

The process for designing the competitive process and selecting eligible PHAs will be a joint effort between HUD and HHS. In addition, a key element of the effort will be a joint evaluation by HUD and HHS to determine: (1) the cost savings in the healthcare and housing systems of the proposed approach; (2) the efficacy of replication; and (3) the appropriate cost-sharing among Federal agencies for underwriting services that increase housing stability and improve health and other outcomes.

Initiative two: Families with children who are homeless or at risk of homelessness

This initiative establishes a mechanism for HUD, HHS and the Department of Education (DOE) programs to be more fully engaged in stabilizing homeless families, ultimately resulting in reducing the costs associated with poor school performance and poverty. This initiative strategically targets these resources to: (1) identify families who are homeless or at risk of homelessness, (2) intervene with the appropriate array of housing assistance, income supports, and services to ensure that the family does not fall into the shelter system or onto the street (or if already homeless that the family is stably housed and does not return to homelessness), and (3) provide the tools necessary to assist the family to build on its resources to escape poverty and reach its highest possible level of self-sufficiency.

Recently released data from HUD's Annual Homeless Assessment Report (AHAR) shows a sharp 9 percent increase in homeless families with children living in shelters (from 473,542 to 516,724) between 2007 and 2008.¹ Research has shown that homeless families that receive a housing subsidy are 21 times more likely to remain housed than their counterparts who do not receive a voucher.² Research also suggests that stable housing has a large positive impact for children – when children are not forced to move from place to place and school-to-school, they are more likely to succeed academically.³ Additionally, there is some data that suggests that families that are stably housed are in a better position to prepare for, find, and retain employment.

¹ U.S. HUD: "The 2009 Annual Homeless Assessment Report to Congress," July 2009

² Shin, M., Weitzman, B.C., Stojanovic, D. Knickman, J.R., Jimenez, L., Duchon, L., James, S., and Krantz, D.H. 1998. "Predictors of homelessness among families in New York City: From shelter request to housing stability." *American Journal of Public Health*, 88 (11): 1561–1657

³ Lubell, J and Brennan, M, "Framing the Issues – the Positive Impacts of Affordable Housing on Education." And Lubell, J, Crain, R. and Cohen, R. "Framing the Issues-the Positive Impacts of Affordable Housing and Health," Center for Housing Policy and Enterprise Community Partners. Also, Reynolds, "School Mobility and Educational Success: A Research Synthesis and Evidence on Prevention,"

Tenant-Based Rental Assistance

HUD will make available a minimum of 6,000 Housing Choice Vouchers on a competitive basis. Designing the competitive process and selecting eligible PHAs will be accomplished jointly by HUD, HHS and DOE. State level voucher agencies and local PHAs will submit proposals for the new vouchers. In order to ensure place-based targeting, winning proposals will have to show that the new vouchers are being targeted to communities with high concentrations of homeless families. In addition, to qualify for the new rental assistance vouchers, applicants will need to show that they have designed a well-coordinated and collaborative program with the TANF agency, the local public schools, and other community partners (e.g., Head Start, child welfare, substance abuse treatment, etc.). With guidance from HHS, states will need to demonstrate how they will integrate HUD housing assistance with other supports these families will need to stabilize their housing situation, foster healthy child development, and prepare for, find, and retain employment. States will need to show how the HUD housing assistance will be integrated with the Temporary Assistance for Needy Families (TANF) program as well as child care, child welfare, health care, employment/job training, substance abuse treatment and other services that can be critical to helping families support children and make ends meet. HHS will provide guidance to state TANF agencies and other relevant programs to explain this initiative and their role in both the application for the vouchers and the implementation of the program. The guidance will also address the ways in which PHAs, states and communities can integrate housing assistance and other supports for families at risk of homelessness even in the absence of being awarded additional housing vouchers through this project. DOE will assist with identifying at-risk families with children through their network of school based homelessness liaisons, and providing basic academic and related supports for the children.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Transformation Initiative (transfer)	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request	\$100,000
2011 Request	<u>195,507</u>
Program Improvements/Offsets	+95,507

Proposed Actions

In fiscal year 2011, information technology related activities will continue to be funded through the Department’s Transformation Initiatives. More details on the overall transformation initiative and these projects are in the justification for the Transformation Initiative account.

Examples of projects that will be undertaken with Transformation Initiative funding with respect to Information Technology (IT) include:

- The next generation voucher management system which will improve oversight, monitoring, information sharing through improved data accessibility and reporting;
- Public housing portfolio management system will provide an improved data system that enables the Department closely examine what PHAs are spending on Capital and HOPE VI funds and how these expenditures impact the public housing portfolio;
- Energy efficiency across affordable housing program data systems which will modify or generate a new module within the Recovery Act Management Performance System (RAMPS) that will provide the Department with the ability to collect energy efficiency data; and
- Moving-To-Work (MTW) adaptive enhancements systems that will provide the ability to accurately track the demographic traits of residents participating in the MTW program.

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Justification of Proposed Changes in Appropriations Language**

The 2011 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined.

[(Including transfer of funds)]

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ("the Act" herein), not otherwise provided for, [\$14,184,200,000 \$15,550,663,183, to remain available until [expended] September 30, 2013, shall be available on October 1, [2009] 2010 (in addition to the \$4,000,000,000 previously appropriated under this heading that will become available on October 1, [2009] 2010), and \$4,000,000,000, to remain available until [expended] September 30, 2014, shall be available on October 1, [2010] 2011: Provided, That of the amounts made available under this heading are provided as follows:

(1) [\$16,339,200,000] \$17,310,000,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose vouchers initially funded in fiscal years 2008, [and] 2009 and 2010 (such as Family Unification, Veterans Affairs Supportive Housing Vouchers and Non-elderly Disabled Vouchers): Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year [2010] 2011 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) leasing and cost data for [the most recent Federal fiscal year] calendar year 2010 and by applying the most recent Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with [deposits to family self-sufficiency program escrow accounts or] the first-time [renewals] renewal of vouchers under this paragraph including tenant protection, and [or] HOPE VI vouchers: [Provided further, That none of the funds provided under this paragraph may be used to fund a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract, except for public housing agencies participating in the Moving to Work demonstration, which are instead governed by the terms and conditions of their MTW agreements:] Provided further, That the Secretary may offset public housing agencies' calendar year 2011 allocations by the excess amount of agencies' net restricted assets accounts: Provided further, That the Secretary shall determine the excess amount of net restricted assets in accordance with authorizing law or by notice in the Federal Register, but in no instance shall the definition of "excess" be greater than the amount above 6 percent of the renewal funding an agency is eligible to receive, prior to proration, in calendar year 2011: Provided further, That the Secretary shall use any such offset to avoid or reduce the proration of renewal funding allocations: Provided further, That if funds remain after providing public housing agencies with 100 percent of the allocation due under the first proviso, the Secretary may reallocate reserves for purposes otherwise authorized by law or as otherwise provided in a Federal Register notice: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph [(except as otherwise modified under this Act)], pro rate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the [last two] following provisos, the entire amount specified under this paragraph [(except as otherwise modified under this Act)] shall be obligated to the public housing agencies based on the allocation and pro rata method described above, and the Secretary shall notify public housing agencies of their annual budget not later than 60 days after enactment of this Act: Provided further, That the Secretary may extend the 60-day notification period with [the] prior written [approval of] notice to the House and Senate Committees on Appropriations: Provided further, That public housing agencies participating in the Moving to Work demonstration shall be funded pursuant

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to their Moving to Work agreements and shall be subject to the same pro rata adjustments under the previous provisos: Provided further, That up to \$150,000,000 shall be available only: (1) to adjust the allocations for public housing agencies, after application for an adjustment by a public housing agency that experienced a significant increase, as determined by the Secretary, in renewal costs of tenant-based rental assistance resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (2) [for adjustments for public housing agencies with voucher leasing rates at the end of the calendar year that exceed the average leasing for the 12-month period used to establish the allocation; (3) for adjustments for the costs associated with VASH vouchers; or (4) for vouchers that were not in use during the 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act; (3) for any increase in the costs associated with deposits to family self-sufficiency program escrow accounts; (4) for onetime adjustments of renewal funding for Public Housing Agencies in receivership with approved fungibility plans for calendar year 2009 as authorized in Section 11003 of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329); or (5) to adjust allocations for public housing agencies to prevent termination of assistance to families receiving assistance under the disaster voucher program, as authorized by Public Law 109-148 under the heading "Tenant-Based Rental Assistance": Provided further, That the Secretary shall allocate amounts under the previous proviso based on need as determined by the Secretary[: Provided further, That of the amounts made available under this paragraph, up to \$100,000,000 may be transferred to and merged with the appropriation for ``Transformation Initiative"];

(2) [~~\$120,000,000~~]\$125,000,000 shall be for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134), conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, HOPE VI vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended, or under the authority as provided under this Act[: Provided, That the Secretary shall provide replacement vouchers for all units that were occupied within the previous 24 months that cease to be available as assisted housing, subject only to the availability of funds];

(3) [~~\$1,575,000,000~~]\$1,791,000,000 shall be for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$50,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, the administration of disaster related vouchers, Veterans Affairs Supportive Housing vouchers, and other incremental vouchers: Provided, That no less than [~~\$1,525,000,000~~]\$1,741,000,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year [2010]2011 funding cycle based on section 8(q) of the Act (and related Appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276): Provided further, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the previous proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the previous proviso, utilize unobligated balances, including recaptures and carryovers, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, for fiscal year [2009]2010 and prior fiscal years, notwithstanding the purposes for which such amounts were appropriated: Provided further, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

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(4) \$60,000,000 shall be available for family self-sufficiency coordinators under section 23 of the Act;

(5) [\$15,000,000 for incremental voucher assistance through the Family Unification Program: Provided, That the assistance made available under this paragraph shall continue to remain available for family unification upon turnover: Provided further, That the Secretary of Housing and Urban Development shall make such funding available, notwithstanding section 204 (competition provision) of this title, to entities with demonstrated experience and resources for supportive services] \$113,663,183 for renewal of tenant-based assistance contracts under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) entered into prior to fiscal year 2007;

(6) [\$75,000,000 for incremental rental voucher assistance for use through a supported housing program administered in conjunction with the Department of Veterans Affairs as authorized under section 8(o)(19) of the United States Housing Act of 1937: Provided, That the Secretary of Housing and Urban Development shall make such funding available, notwithstanding section 204 (competition provision) of this title, to public housing agencies that partner with eligible VA Medical Centers or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs, public housing agency administrative performance, and other factors as specified by the Secretary of Housing and Urban Development in consultation with the Secretary of the Department of Veterans Affairs: Provided further, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: Provided further, That assistance made available under this paragraph shall continue to remain available for homeless veterans upon turn-over] Up to \$66,000,000 for incremental tenant-based assistance for eligible families assisted under the Disaster Housing Assistance Program for Hurricanes Ike and Gustav: Provided, That these vouchers will not be re-issued when families leave the program;

(7) \$85,000,000 for incremental voucher assistance under section 8(o) of the United States Housing Act of 1937, including related administrative expenses, for two competitive demonstration programs to address the needs of families and individuals who are homeless or at risk of homelessness, as defined by the Secretary of Housing and Urban Development, to be administered by the Department of Housing and Urban Development in conjunction with the Department of Health and Human Services and the Department of Education: Provided, That one demonstration program shall make funding available to public housing agencies that: (1) partner with eligible state or local entities responsible for distributing Temporary Assistance for Needy Families (TANF) and other health and human services as designated by the Secretary of the Department of Health and Human Services, and (2) partner with school homelessness liaisons funded through the Department of Education's Education for Homeless Children and Youths program: Provided further, That the other demonstration program shall make funding available to public housing agencies that partner with eligible state Medicaid agencies and state behavioral health entities as designated by the Secretary of the Department of Health and Human Services to provide housing in conjunction with Medicaid case management, substance abuse treatment, and mental health services: Provided further, That the Secretary of Housing and Urban Development shall make the funding specified in this subsection available through such allocation procedures as the Secretary determines to be appropriate, notwithstanding section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439) and section 204 (competition provision) of this title, to entities with demonstrated experience and that meet such other requirements as determined by the Secretary: Provided further, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements

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related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: Provided further, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation that the Secretary administers pursuant to this subsection no later than 10 days before the effective date of such waiver: Provided further, That assistance made available under this subsection shall continue to remain available for these purposes upon turn-over.

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**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Crosswalk of 2009 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2009 Resources</u>
Contract Renewals	\$15,206,071	-\$750,000	...	...	\$2,302	\$14,458,373
Administrative Fees	1,436,000	...	...	...	68,101	1,504,101
Section 8 Rental Assistance	150,000	...	...	...	100,328	250,328
FSS Coordinators	50,000	...	...	...	49,008	99,008
Veterans Affairs Supportive Housing (VASH) Program	75,000	...	...	...	1,641	76,641
working Capital Fund (transfer)	7,929	...	...	...	...	7,929
Non-Elderly Disabled	30,000	...	...	...	30,000	60,000
Family Unification Program	20,000	...	...	...	20,000	40,000
Disaster Displacement Assistance .....	...	...	...	...	85,000	85,000
Section 811 Mainstream Renewals .....	...	...	...	...	...	...
Disaster Housing Assistance Program for Hurricanes Ike and Gustav .....	...	...	...	...	...	...
Transformation Initiative (transfer) Housing and Services for Homeless Persons Demonstration .....	...	...	...	...	...	...
Total	16,975,000	-750,000	...	...	356,380	16,581,380

Tenant-Based Rental Assistance

**PUBLIC AND INDIAN HOUSING
TENANT-BASED RENTAL ASSISTANCE
Crosswalk of 2010 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 President's Budget Request</u>	<u>Congressional Appropriations Action on 2010 Request</u>	<u>2010 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Contract Renewals	\$16,189,200	\$16,239,200	...	...	\$67,821	\$16,307,021
Administrative Fees	1,493,800	1,575,000	...	...	30,427	1,605,427
Section 8 Rental Assistance	103,000	120,000	...	...	82,631	202,631
FSS Coordinators	50,000	60,000	...	...	50,054	110,054
Veterans Affairs Supportive Housing (VASH) Program .....	...	75,000	...	...	976	75,976
Working Capital Fund (transfer) .....	...	...	...	...	...	...
Non-Elderly Disabled .....	...	...	...	...	40,087	40,087
Family Unification Program .....	...	15,000	...	...	15,906	30,906
Disaster Displacement Assistance .....	...	...	...	...	3,388	3,388
Section 811 Mainstream Renewals .....	...	...	...	...	...	...
Disaster Housing Assistance Program for Hurricanes Ike and Gustav .....	...	...	...	...	...	...
Transformation Initiative (transfer) Housing and Services for Homeless Persons Demonstration .....	...	100,000	...	...	...	100,000
	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total	17,836,000	18,184,200	...	...	291,290	18,475,490