HOUSING
PROJECT-BASED RENTAL ASSISTANCE
2017 Summary Statement and Initiatives
(Dollars in Thousands)

PROJECT-BASED RENTAL ASSISTANCE	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2015 Appropriation	$9,730,000	$408,138[a]	...	$10,138,138	$9,810,138	$10,260,308
2016 Appropriation	10,620,000	426,500	...	11,046,500[b]	10,731,001	10,660,000
2017 Request	10,816,000	316,994	...	11,132,994[c]	11,002,000	11,016,000
Program Improvements/Offsets	+196,000	-109,506	...	+86,494	+270,999	+356,000

a/ Resources includes $351 million in unobligated funds, and $32 million from recaptures realized in fiscal year 2015. It includes $24.7 million transferred from the Public Housing Fund and Capital Fund for the Rental Assistance Demonstration (RAD).

b/ Resources exclude $25 million in spending authority from anticipated recaptures, an estimated $43.5 million transfer from the Public Housing Fund and Capital Fund for Rental Assistance Demonstration conversions (RAD), and $30 million transferred from Other Assisted Housing for RAD conversions.

c/ Resources exclude to an estimated $149 million transfer from the Public Housing Fund and Capital Fund for the Rental Assistance Demonstration (RAD), and $15 million in spending authority from anticipated recaptures. Also included is an estimated transfer to the Research and Technology Account (R&T) account of $28.5 million. When the additional resources are added, and the R&T transfer is included, Total Resources and will be $11.268 billion.

1. What is this request?

The Department requests a total of $10.816 billion to meet Section 8 Project-Based Rental Assistance (PBRA) program needs for fiscal year 2017. This includes $10.028 billion for renewals and $549 million for amendments, as well as $235 million for Performance-Based Contract Administration and $4 million in technical assistance for tenant organizations. The total requested funding level for fiscal year 2017 is a $196 million increase over the fiscal year 2016 enacted level of $10.620 billion. The request fully supports the Department's calendar year funding policy, consistent with current practice in the Housing Choice Voucher and Public Housing programs, by providing 12 months of funding for all contracts from January through December 2017. The funding requested allows the renewal or amendment of several types of rental assistance contracts, including: Project-Based Section 8 contracts (including Public Housing, Rent Supplement, and Rental Assistance Program units converted to PBRA via the Rental Assistance Demonstration), Moderate Rehabilitation contracts, and Single Room Occupancy contracts.

The Department's fiscal year 2017 request of $235 million for Performance-Based Contract Administration (PBCA) funding will be combined with $60 million in anticipated recaptures in the Housing Certificate Fund (HCF) account to allow HUD to extend current PBCA contracts as necessary during fiscal year 2017, and also potentially execute new, awards during fiscal year 2017. Assuming the

HCF recaptures occur at the forecast rate in 2016 and 2017, budgetary resources are expected to support PBCAs through the end of calendar year 2017. HUD's fiscal year 2017 request of $235 million is based on partial year extensions of existing contracts, and the estimated annual funding for the program under new cost-saving PBCA agreements.

Contract Renewals and Amendments - $10.577 billion

The Department's fiscal year 2017 request provides for the second complete year of funding under the new calendar year methodology. In fiscal year 2016, for contracts whose terms expire during fiscal year 2016 and a new multiyear contract is executed, HUD is placing 12 months of forward funding on such contracts at the time of renewal. However, for fiscal year 2017, the Department is completing the transition to the calendar year funding model, which provides calendar year (January through December) funding for all contracts. This means that even those contracts that expire outright during fiscal year 2017 will be funded only through calendar year 2017. The Department estimates that this transition to strict calendar year funding will result in a one-time reduction in budget needs of approximately $240 million for fiscal year 2017.

HUD does not expect the change in calendar year funding methodology to have a significant impact on stakeholders, investors, or lenders. The Department will only shift the timing for funding of the contract, and believes that 12-month calendar year funding will increase the predictability of funding under the program, allowing owners to continue leveraging private debt and equity on advantageous terms, and reduce the risk of funding lapses at the beginning of a fiscal year.

The need for Section 8 Amendment funds results from insufficient funding provided to long-term project-based contracts executed primarily in the 1970's and 1980's. During those years, the Department provided contracts for terms of up to 40 years. Estimating funding needs over such a long period of time proved to be problematic, and as a result, many of these Section 8 contracts were inadequately funded. Older long-term contracts that have not reached their termination dates and have not entered the 1-year renewal cycle must be provided amendment funds for the projects to remain financially and physically viable. The Department estimates that total Section 8 Amendment needs in fiscal year 2017 will be approximately $549 million.

The following table shows the change in the number of units under contract, average monthly subsidy payment per unit and the average utilization rate by fiscal year.

Project-Based Rental Assistance

	Contract Units	Average Monthly Subsidy per Unit	Average Utilization[1]
FY 2008	1,260,865	$587	93.7%
FY 2009	1,255,545	$610	94.2%
FY 2010	1,251,460	$635	94.7%
FY 2011	1,249,790	$665	94.9%
FY 2012	1,243,562	$676	95.1%
FY 2013	1,230,119	$680	95.2%
FY 2014	1,220,664	$696	95.2%
FY 2015	1,224,779	$717	94.7%

Contract Administration Support - $235 million

The Department proposes up to $235 million for Performance-Based Contract Administrators (PBCAs) in fiscal year 2017. These administrators are responsible for conducting on-site management reviews of assisted properties; adjusting contract rents; and reviewing, processing, and paying monthly vouchers submitted by owners. PBCAs are integral to the Department's efforts to be more effective and efficient in the oversight and monitoring of this program. This request estimates for the program reflects the cost of extending current PBCA contracts for a portion of fiscal year 2017, as well as the execution of new contracts competed in accordance with Federal Acquisition Regulations (FAR). If HCF recaptures occur at forecast levels for fiscal years 2016 and 2017, an estimated $60 million from that account will be combined with the requested appropriations to support PBCA contracts through the end of calendar year 2017.

Cost Saving Measures

The funding request for fiscal year 2017 assumes cost savings from a legislative request related to tenant medical expense deductions. This request would increase the amount of income that must be spent on medical expenses from 3 percent of income to 10 percent before medical expenses can be deducted. If this change is not approved, the fiscal year 2017 appropriations requirement is expected to increase.

Tenant Outreach Activities

The Department will continue and complement the work being completed under the Interagency Agreement (IAA) with the Corporation for National and Community Services' Americorps VISTA (Volunteers in Service to America) program by setting aside up

[1] The average percentage of contract units that are occupied by families assisted with program support.

to $4 million for preservation-related tenant advocacy and capacity building technical assistance from PBRA appropriations authority for "administrative and other expenses associated with project-based activities and assistance." These funds would extend current VISTA agreements and provide for capacity building technical assistance to tenant organizations, likely be competed through the Community Compass (formerly OneCPD) Notice of Funding Availability and be available to tenant groups, nonprofit groups, and public entities to support their efforts to preserve affordability and improve tenant services.

Rental Assistance Demonstration

The Department continues its Rental Assistance Demonstration (RAD) to test new preservation tools for the HUD-assisted housing stock. The PBRA request includes renewal funding for public housing properties that converted in 2013, 2014, and 2015. Public housing units converting in 2016 that will require renewal funds in 2017 are not reflected in this PBRA request; instead, HUD has budgeted for and will use its statutory authority under the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, as amended) to transfer amounts from the fiscal year 2017 Operating Fund and Capital Fund appropriations to the PBRA account. The budget estimates for those units include considerations like expected tenant contribution toward rent and vacancies. HUD anticipates the possibility that marginal, unforeseen changes to factors such as tenant income may have some impact, which HUD estimates to be small, on the ultimate cost of those units. In that event those marginal increases will be covered by funding in this account—and those actual marginal costs reported in subsequent fiscal years' Justifications.

Further, the request includes renewal funding for Rent Supplement (RS) and Rental Assistance Payment (RAP) properties converting to PBRA in 2016 under the 2nd component of RAD (under authority provided in the 2015 Appropriations Act). Funding in this account may be used for the renewal of such contracts. RS and RAP properties that are converting in 2017 that will require renewal funds in 2018 are not reflected in this PBRA request; instead, HUD has budgeted for and will use its statutory authority under the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, as amended) to transfer amounts from the fiscal year 2017 RS, RAP, and TBRA accounts to the PBRA account. As with transfers pursuant to Public Housing conversions, any marginal increase in actual 2017 contract costs above the amounts transferred will be covered by funding in this account—and those actual marginal costs reported in subsequent fiscal years' Justifications.

2. What is this program?

The Project-Based Rental Assistance program provides rental assistance on behalf of eligible tenants residing in specific multifamily rental developments. Project-based rental assistance is provided through contracts between the Department and owners of multifamily rental housing. If a tenant moves, the assistance stays with the housing development (which is a major difference between this program and the Tenant-Based Rental Assistance program in which the subsidy moves with the tenant). The amount of rental assistance paid to the owner is the difference between what a household can afford (based on paying 30 percent of household income for rent) and the approved contract rent for the unit. This program serves approximately 1.2 million low-income and very low-income households that are primarily seniors, families with children, and persons with disabilities. Section 8 tenant data on household types is summarized here:

http://portal.hud.gov/hudportal/documents/huddoc?id=Tenant_Characteristics_Rpt.pdf

Eligible owners include for-profit or non-profit organizations, cooperatives, Limited Liability Corporations, Limited Partnerships or other types of joint ownership structures organized to develop and operate affordable rental housing. These properties are financed in a similar manner to market rate rental developments, using private financing, FHA financing, private equity, or equity raised from the sale of Low-Income Housing Tax Credits. Currently, the portfolio is leveraging more than $17 billion in FHA insurance and a similar amount of private financing and equity. The owner must provide affordable decent, safe and sanitary housing units to continue to receive project-based rental assistance.

The program's portfolio of 17,200 contracts generally receives high standardized physical inspection scores, consistently receiving REAC scores of at least 85 (out of 100) on average over the last 5 to 7 years. Many PBRA properties are located in strong rental markets that have been preserved through the Department's successful Mark-Up-to-Market program and other preservation programs. The Mark-Up-to-Market Program adjusts rents to prevailing market conditions while maintaining affordability for low-income households. Such properties frequently provide the only affordable housing opportunities within these communities. Other PBRA properties located in less strong markets provide an important stabilizing influence to their communities, often acting as important footholds for additional housing and other commercial neighborhood investment.

The program set-aside of $235 million for PBCAs is an important tool to administer the program in an efficient manner. PBCAs provide direct oversight and monitoring of the program that carry out critical functions, including: 1) reducing payment errors; 2) ensuring that the physical condition of units is maintained; and 3) ensuring timely payment of rents to property owners.

3. Why is this program necessary and what will we get for the funds?

Addresses the need for quality affordable rental homes

The PBRA program is one of three major federal rental assistance programs for providing low-income families with decent, safe and affordable housing. The program currently provides affordable housing for over 1.2 million families, many of whom are vulnerable populations: 47 percent of assisted households are headed by elderly persons, 17 percent by persons with disabilities, and 26 percent by females with children. The program supports a stock of affordable housing and maintains and protects the long-term historic federal investment in these assets, which would be costly to recreate.

Reduces the number of families with severe housing needs and reduces or prevents homelessness

HUD's *Worst Case Housing Needs: 2015 Report to Congress* reveals that among very low-income renter households that lacked assistance, 7.7 million had worst case housing needs resulting from severe rent burden (paying more than one-half of their monthly income for rent) or living in severely inadequate housing units. From 2003-2013, worst case needs have increased by 49 percent as public-sector housing assistance and private-sector housing development have substantially failed to keep up with the growing demand for affordable rental housing.

Large numbers of worst case needs are found among various household types served by PBRA, including families with children, senior citizens, and persons with disabilities. PBRA funding directly reduces worst case housing needs. Without assistance, housing costs would effectively diminish the already limited incomes of these families, even for necessities such as utilities, food, health care, child care, education and transportation costs. Many would be placed at risk of homelessness.

Preserves the affordability and condition of privately owned rental housing

PBRA supports a stock of long-term affordable rental housing for the lowest-income American families. This is increasingly important, as the gap in supply of affordable rental units relative to need has been growing for decades; worst case needs are common in every region and metropolitan category across the United States. Nationwide 41.7 percent of very low-income renters had worst case housing needs in 2013. Only 65 affordable units are available nationwide per 100 very low-income renters, and 39 units per 100 extremely low-income renters. Availability is restricted because higher income renters occupy 40 percent of the stock affordable for renters with incomes of 0 to 30 percent of median, and 38 percent of stock affordable of 30 to 50 percent of median income. Available rental stock, even at higher rent levels, is being absorbed rapidly, reducing the overall rental vacancy rate from 10.9 percent in 2009 to 9.8 percent in 2011 and 8.4 percent in 2013 (*Worst Case Housing Needs: 2015 Report to Congress*). Without project-based rental assistance, the gap in affordable and available rental housing would worsen further to as few as 59 units per 100 very low-income renters and 31 units per 100 extremely low-income renters.

Without this assistance, many projects would either convert to market with potentially large rent increases that the current families would not be able to afford, or alternatively would not be able to generate sufficient rental income to continue to be maintained in good condition. In addition, without ongoing rental income, some projects may be unable to continue payments on existing debt, including mortgages insured by FHA, or mortgages backed by bonds issued by state housing finance agencies.

Expands choices of affordable rental homes located in a broad range of communities

The preservation of affordable units assures that units will continue to become available in a wide range of housing markets throughout the nation as vacancies occur. Many projects are located in neighborhoods where low-income families may otherwise be unable to find affordable housing, while other projects serve as anchors providing well-maintained properties in areas that might experience downward investment. Many projects also provide badly needed affordable housing in rural areas, as some projects were developed with financing through the USDA Rural Housing Service's Section 515 Multifamily program.

<u>PBRA's spillover benefits to local communities and economies</u>

Multifamily housing assisted by PBRA stabilizes neighborhoods and contributes to local economic bases. PBRA housing provides employment, increases buying power of assisted tenants to support local businesses, and increases local tax bases. The PBRA program, through its 17,200 contracts with owner landlords, directly contributes to job creation and retention in the fields of property management, maintenance, administration, general construction, contract vendors such as landscapers, exterminators, security guards, snow removers, equipment servicers, legal representation and property insurance providers.

In addition to local revenue generation and job retention associated with ongoing project operation, the PBRA program is also a redevelopment and preservation tool for private owners of low-income multifamily rental housing. PBRA contracts act as a critical credit enhancement for project financing, allowing owners to leverage private debt and equity to permit project refinancing and recapitalization. Such transactions require owners to hire architects, surveyors, construction contractors as well the professional services of consultants and attorneys to complete the work. The periodic refinancing of the debt underlying projects assisted by PBRA generates significant capital available for investment in construction repairs and improvements. If funding for the PBRA program is not provided, the value of this underlying debt to FHA and private lenders as well as existing equity in the physical structures could be severely eroded, contributing to significant loss of privately held wealth and community investment.

4. How do we know this program works?

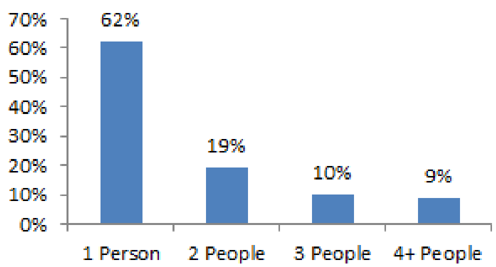
PBRA has maintained a stock of long-term affordable rental housing for the lowest-income American families while a long-term affordable housing shortage was growing increasingly severe. The number of very low-income renters increased by 18 percent between 2003 and 2013 (from 15.7 to 18.5 million households) while the number of affordable units for these renters *decreased* by 10 percent (from 20.0 to 18.0 million units). In the face of this affordable rental crisis, PBRA continues to account for over 6 percent of the nation's affordable housing stock for very low-income renters.

Project Based Section 8 Tenant Characteristics

How many households and people are served?

This program serves **2.00** million Americans and **1.17** million households.

How big are the households?

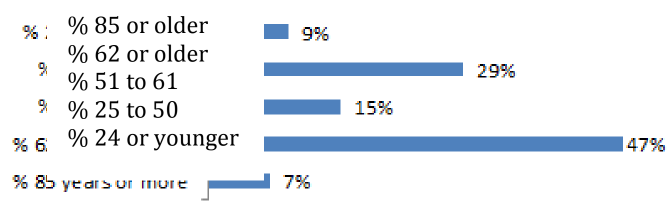


What are the racial characteristics of the tenants?

This program serves a diverse demographic mix. **65%** of residents are in a minority group.

White, non-Hispanic	Black, non-Hispanic	Hispanic	Asian/P.I.	Nat. American
35%	**41%**	**19%**	**5%**	**1%**

How old are the heads of the household?



What are the characteristics of the Heads of Household?

- Female Headed Families with children - **26%**
- Elderly - **47%**
- Non-elderly disabled - **17%**

What is the share of rent paid by the tenant and HUD?

The average household contribution to rent (includes utilities) **per month is** $272

HUD contributes an average of **$715 per month**

What are the Income Levels of Assisted Households

Tenants make an average gross income of **$11,914**

Distribution of HCV Household's Income %	
$0 - $20,000 per year -	**88%**
More than $20,000 per year -	**12%**

The average household income was **18%** of the local area median income.

Household Incomes Compared to their Local Area Median Income*

Extremely Low Income (Less than 30% AMI)	**76%**
Very Low Income (30% to 50% AMI)	**21%**
Low Income (50% to 80% AMI)	**3%**

Notes: HUD's income limits are adjusted based on actual median incomes for the state and locality (metropolitan area).

*30 percent of AMI is approximately $19,750 per year for a 4-person household, (national estimate - adjusted based on actual state and local incomes) and $13,800 for a single person. Note, that the US national poverty guideline for 2015 was set at $24,250 for a 4-person household (the guidelines are not adjusted locally, but provide a single limit for the 48 contiguous states and DC).

Multifamily for Tomorrow Initiative

During fiscal year 2016, the Office of Multifamily Housing will complete the business improvements facilitated by the business re-engineering initiative called Multifamily for Tomorrow. This initiative improved performance efficiencies in our oversight and monitoring of projects assisted by Section 8 Project-Based Rental Assistance. Multifamily for Tomorrow has refocused monitoring of the assisted portfolio to ensure the performance of critical functions essential to the effective management of the portfolio. The initiative introduced streamlined oversight tasks for projects that are identified as low risk, high performers and identified opportunities for elimination of tasks that are redundant, unnecessary or do not contribute to ensuring quality performance of the Section 8 Project-Based portfolio.

As part of Multifamily for Tomorrow, staff has rated all Multifamily assets, including assets assisted with PBRA, in order to prioritize by risk and allocate the most staff resources to the riskiest assets. Assets are rated troubled, potentially troubled, or not troubled. Staff in the Office of Asset Management and Portfolio Oversight is asked to prioritize time and energy spent on the riskiest troubled assets and allocate less time to low-risk assets. Two measures monitoring the effectiveness of this organizational approach track the number of assets with current and accurate risk ratings and the number of troubled assets with an active and operative resolution plan. We expect that the process improvements introduced and institutionalized as part of the Multifamily for Tomorrow will position the Office of Multifamily Housing to effectively administer the Section 8 program at current staffing levels, plus a modest increase to support properties entering the Multifamily portfolio from RAD.

The Multifamily for Tomorrow initiative builds on the success of portfolio rating by moving to an Account Executive Model. The Account Executive Model has shifted the previous Project Manager focus to managing potentially troubled (managed by Senior Account Executives) and not troubled (managed by Account Executives) assets, including those with PBRA assistance. The Account Executive Model includes an Asset Resolution Specialist position that focuses on a specialized skill set and knowledge base on troubled assets (including PBRA-assisted assets). This increased focus is allowing Multifamily experts to better manage risk in the PBRA programs and mitigate risk to the Department's insurance fund and mission, while Account Executives manage low-risk assets.

After each Multifamily for Tomorrow wave, the consolidated offices utilize a new system to measure and track customer requests and response time. This allows for a clearer view of the flow of work within each office and the ability to determine when work should be shifted to maximize efficiency. Two measures in particular (processing time for Reserve for Replacement draws and Interest Rate Reduction requests) have been included in the Multifamily Performance Goals and are closely monitored with monthly reports. Standardizing a baseline and measuring improvement for these two measures will help Multifamily continue to realize efficiencies over the coming year.

Multifamily Housing has also almost completed an initiative to convert all of the files in the asset management portfolio into a fully searchable digital repository. This means that all files affiliated with PBRAs will soon be available in PDF format, with the ability to search through all files using Optical Character Recognition. This digital repository allows for increased efficiency in locating and better accuracy in maintaining files associated with PBRA monitoring and oversight by field staff.

Monitoring and Oversight

The Office of Asset Management and Portfolio Oversight utilizes all available tools to ensure owners receiving federal project-based rental assistance are maintaining and providing quality affordable housing and accomplishing the mission of the Department. The tools include: risk-based multifamily portfolio management, oversight of physical inspections and financial reporting for all properties, litigation for landlord and/or property management violations and tenant relocation, and the continued innovation of technology, policies, and procedures to ensure the Department's multifamily portfolio is providing safe and quality affordable housing and prevent owner abuse of federal subsidy.

As described above, Multifamily for Tomorrow initiated a shift to risk-based portfolio management and provided the necessary training to help Department staff manage the Multifamily portfolio by risk. Account Executives rate all assets in their portfolios and respond accordingly based on risk level. Account Executives must identify and implement an Action Plan corresponding to the issues at a given asset for all assets rated Troubled and Potentially Troubled. Multifamily Headquarters conducts monthly calls with Account Executives and field office management to discuss resolution strategies and to reinforce the rating process. The Department holds quarterly calls with top Loan Servicers to discuss problem properties/owners and triangulate with internal information to ensure troubled properties are monitored holistically and discuss potential resolution strategies. This multi-faceted risk-based approach is indicative of the Department's exhaustive efforts to ensure HUD's project-based rental assistance supports Owners/Management Agents providing quality affordable housing.

Multifamily Housing also protects its PBRA investments with the assistance of the Real Estate Assessment Center (REAC) and the Departmental Enforcement Center (DEC). REAC monitors both the physical and financial condition of the assets to identify and address physical and financial issues immediately. If a property receives a physical inspection score below 30, it is automatically referred to the Departmental Enforcement Center (DEC) and the Owner is flagged in the Active Partners Performance System (APPS).

The Department has mandated the use of the Enterprise Income Verification (EIV) system by all Multifamily Housing Owners and Management Agents to verify income and benefit information on a triennial basis in making rental housing subsidy determinations. The EIV system increases the efficiency and accuracy of income and rent determinations, reduces incidents of underreported and unreported household income, removes the barriers to verifying tenant-reported income, and addresses material weaknesses in an owners' reexamination process and program operations. The EIV system also assures that more eligible families are able to participate in the program, reduces improper payments, and ensures that the right people receive the right amount of assistance at the right time. Contract Administrators are required to use the EIV system in the performance of Management and Occupancy Reviews, the purpose of which is to identify and reduce errors in the administration of HUD rental assistance programs, thereby reducing the number and amount of improper payments of HUD subsidies. The Department continually improves and makes modifications to the EIV system and occupancy requirements to ensure tenants receive the proper benefits and maintain accurate reporting.

5. Proposals in the Budget

Other Preservation Strategies. The Department is proposing technical amendments to the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA), as amended by the FAST Act (Public Law 114-94). The revisions will establish internal consistency within Sections 214 and 220 of the Act, support effective implementation of the intended reforms, encourage preservation transactions that maintain property affordability. (Sec. 230)

Enhancing Enforcement Authority for Non-Performing HUD-Assisted Properties. (Section 272). The Budget is proposing to expand HUD's authority to seek double the specified financial damages endured by HUD and mortgagors under the PBRA, Section 202 and 811 programs when project owners fail to maintain their properties in accordance with program requirements. Currently, HUD is able to enforce these penalties under its various insurance programs, but does not have similar enforcement capacity for properties only receiving a subsidy. This proposal is part of a larger effort being undertaken by HUD to evaluate and strengthen enforcement authorities across its portfolio of assisted properties, including a potential rulemaking to update Real Estate Assessment Center (REAC) physical inspection criteria. (Sec. 272)

Multifamily Assisted Housing Reform and Affordability Act (MAHRA) Extension. HUD is proposing to extend the fiscal year 2015 enacted MAHRA sunset date to October 1, 2019. This extension is needed for the Mark-to-market program. (Sec. 264)

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

Budget Activity	2015 Budget Authority	2014 Carryover Into 2015	2015 Total Resources	2015 Obligations	2016 Budget Authority	2015 Carryover Into 2016	2016 Total Resources	2017 Request
Contract Renewals and Amendments	$9,520,000	$231,573	$9,751,573	$9,234,609	$10,224,000	$231,964	$10,455,964	$10,399,000
Contract Administrators	210,000	90,625	300,625	273,250	215,000	27,375	242,375	235,000
Tenant Resources Network	...	3,070	3,070	2,000	3,000	1,070	4,070	4,000
Vouchers for Disaster Relief - (P.L. 111-32)	...	650	650	...	...	650	650	...
Rental Assistance Demonstration	...	24,749	24,749	24,743	...	73,506	73,506	...
Mod Rehab and SRO Renewals	...	57,471	57,471	275,536	178,000	91,935	269,935	178,000
Research and Technology (transfer)	...	...	...	...	...	...	...	[28,468]
Total	9,730,000	408,138	10,138,138	9,810,138	10,620,000	426,500	11,046,500	10,816,000

NOTES: Total resources for fiscal year 2015 Contract and Renewals include $32 million from recaptures realized in 2015. It includes $24.7 million transferred from the Public Housing Fund and Capital Fund for the Rental Assistance Demonstration (RAD). Of the Renewal and Amendment carryover, $44.1 million is for Moderate Rehabilitation units, and $13.3 million is for Single Room Occupancy units.

Fiscal year 2016 Resources exclude $25 million in spending authority from anticipated recaptures, an estimated $43.5 million transfer from the Public Housing Fund and Capital Fund, and $30 million transferred from Other Assisted Housing for the Rental Assistance Demonstration (RAD). When the additional resources are added, estimated Total Resources and will be $10.047 billion.
The fiscal year 2017 Request does not reflect an estimated transfer to the Research and Technology (R&T) account that may be up to $28.5 million. It also does not reflect anticipated recaptures and transfers into the account in 2017 to facilitate 2016 Public Housing RAD conversions and 2017 RS and RAP conversions.

HOUSING
PROJECT-BASED RENTAL ASSISTANCE
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) ("the Act"), not otherwise provided for, [$10,220,000,000] *$10,416,000,000*, to remain available until [expended,] *September 30, 2019*, shall be available on October 1, [2015] *2016* (in addition to the $400,000,000 previously appropriated under this heading that became available October 1, [2015] *2016*, and $400,000,000, to remain available until [expended,] *September 30, 2020*, shall be available on October 1, [2016] *2017*: Provided, That the amounts made available under this heading shall be available for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401), for renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for administrative and other expenses associated with project-based activities and assistance funded under this paragraph: Provided further, That of the total amounts provided under this heading, not to exceed [$215,000,000] *$235,000,000* shall be available for performance-based contract administrators for section 8 project-based assistance, for carrying out 42 U.S.C. 1437(f): Provided further, That the Secretary of Housing and Urban Development may also use such amounts in the previous proviso for performance-based contract administrators for the administration of: interest reduction payments pursuant to section 236(a) of the National Housing Act (12 U.S.C. 1715z-1(a)); rent supplement payments pursuant to section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); section 236(f)(2) rental assistance payments (12 U.S.C. 1715z-1(f)(2)); project rental assistance contracts for the elderly under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q); project rental assistance contracts for supportive housing for persons with disabilities under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2)); project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667); and loans under Account Number: 025-09-0303 Project-based Rental Assistance (APPROPRIATIONS) section 202 of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667): Provided further, That amounts recaptured under this heading, the heading "Annual Contributions for Assisted Housing", or the heading "Housing Certificate Fund", may be used for renewals of or amendments to section 8 project-based contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated: Provided further, That, notwithstanding any other provision of law, upon the request of the Secretary of Housing and Urban Development, project funds that are held in residual receipts accounts for any project subject to a section 8 project-based Housing Assistance Payments contract that authorizes HUD or a Housing Finance Agency to require that surplus project funds be deposited in an interest-bearing residual receipts account and that are in excess of an amount to be determined by the Secretary, shall be remitted to the Department and deposited in this account, to be available until expended: Provided further, That amounts deposited pursuant to the previous proviso shall be available in addition to the amount otherwise provided by this heading for uses authorized under this heading. (Department of Housing and Urban Development Appropriations Act, 2016.)