

**PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
2018 Summary Statement and Initiatives
(Dollars in Thousands)**

HOUSING CERTIFICATE FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2016 Appropriation	\$263,533	...	\$263,533 ^a	\$43,630	\$188,000
2017 Annualized CR	206,499	...	206,499 ^b	94,000	219,903
2018 Request	<u>142,499</u>	...	<u>142,499^c</u>	<u>142,999</u>	<u>152,000</u>
Change from 2017	-64,000	...	-64,000	+48,999	-67,903

a/ Resources include carryover of \$211.9 million, and recaptures of \$51.6 million realized in fiscal year 2016.

b/ Resources shown assume \$219 million in carryover, after adding \$16 million in anticipated recoveries in 2017, and subtracting \$29.1 million from source year 1974 or prior that will be cancelled.

c/ Resources shown assume \$112 million in carryover, after adding \$30 million in anticipated recoveries.

1. Program Purpose and Fiscal Year 2018 Budget Overview

The Housing Certificate Fund (HCF) is best described as a composite account. Prior to 2005, it was the account that funded what are now the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance (PBRA) programs. In 1998, some smaller accounts (including Annual Contributions for Assisted Housing) were consumed by HCF, making it an even more eclectic mix.

- Beginning in 2005, the account stopped receiving BA and the TBRA and PBRA accounts were established. HCF continues to “hold” the account’s prior obligations for original term (long-term, up to 40-year) project-based rental assistance contracts that were funded in advance. These funds continue to pay for contract expenses as they come due.
- As original contract terms draw to completion, annual renewals subsequently take place in the PBRA account, thus slowly depleting the inventory of projects and contracts in HCF, while increasing the number of projects in PBRA.

Housing Certificate Fund

- Any undisbursed funds remaining on contracts at termination are recaptured and are either cancelled or re-appropriated (dependent on the source year¹). Eligible uses of recaptures include PBRA renewals, amendments, and administrative fees for multifamily housing programs. In fiscal year 2018, HCF recaptures are expected to provide a key source of supplemental funding for performance-based contract administrators (PBCAs), whose function is detailed in the Project-Based Rental Assistance account.

2. Request

No new additional budget authority is requested for this account. Appropriations language for the Housing Certificate Fund provides that recaptures from source years 1975 through 1987 will be cancelled and an amount of additional budget authority equal to the amount cancelled will be appropriated. Recaptures of contract authority originating in 1974 and prior are cancelled outright. HUD anticipates recaptures of \$30 million for fiscal year 2018, all of which will be re-appropriated. These recaptures, along with funds remaining from prior year HCF recoveries, are anticipated to support PBCA contracts and contract renewals in the PBRA program, providing an offset to new appropriations needed in the PBRA account.

3. Justification

Please see the Project-Based Rental Assistance justification.

¹ Prior to and including 1974, HCF received contract authority (CA); between 1975 and 1987, HCF was appropriated both CA and budget authority (BA). It is for this reason the recaptures are handled differently depending on their source year.

Housing Certificate Fund

PUBLIC AND INDIAN HOUSING HOUSING CERTIFICATE FUND Summary of Resources by Program (Dollars in Thousands)

<u>Budget Activity</u>	<u>2016 Budget Authority</u>	<u>2015 Carryover Into 2016</u>	<u>2016 Total Resources</u>	<u>2016 Obligations</u>	<u>2017 Annualized CR</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2018 Request</u>
Contract Renewals	\$92,741	\$92,741	\$43,630	...	\$57,557	\$57,557	...
Contract Administrators	...	170,792	170,792	148,942	148,942	...
Section 8 Amendments
Administrative Fees
Total	263,533	263,533	43,630	...	206,499	206,499	...

NOTES:

For fiscal year 2016, Total Resources include carryover of \$211.9 million, and recaptures of \$51.6 million realized in fiscal year 2016.

For fiscal year 2017, Total Resources include \$16 million in anticipated recoveries, and \$29.1 million from source year 1974 or prior that will be cancelled.

For fiscal year 2018, includes \$30 million in anticipated recoveries.

**PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
Appropriations Language**

The fiscal year 2018 President's Budget includes proposed changes in the appropriation language listed below.

(INCLUDING CANCELLATIONS)

Unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading "Annual Contributions for Assisted Housing" and the heading "Project-Based Rental Assistance", for fiscal year 2018 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators, notwithstanding the purposes for which such funds were appropriated: Provided, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated hereby permanently cancelled: Provided further, That amounts heretofore recaptured, or recaptured during the current fiscal year, from section 8 project-based contracts from source years fiscal year 1975 through fiscal year 1987 are hereby permanently cancelled, and an amount of additional new budget authority, equivalent to the amount permanently cancelled is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available.

Note.—A full-year 2017 Annualized CR for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.