

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Housing Certificate Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2019 Appropriation	-	158,572	-	158,572 ^a	118,187	131,327 ^a
2020 Appropriation	-	72,384	-	72,384 ^b	20,000	29,000
2021 President's Budget	-	84,000	-	84,000 ^c	10,000	56,000
Change from 2020	-	11,616	-	11,616	-	27,000

a/ Resources include \$142.4 million in carryover, adjusted downward by \$11.8 million. It includes \$49.3 million in recoveries from prior obligations collected during 2019, minus \$21.4 million from sources 1974 and prior that are withdrawn and reflecting \$12.3 million from source years 1975-1987 that were cancelled and an equal amount appropriated. Outlays differ from the Budget Appendix due to rounding.

b/ Resources include \$40.4 million in carryover, plus \$68 million in anticipated recoveries from prior obligations estimated to be collected during 2020, minus \$36 million from sources 1974 and prior that are withdrawn. It also reflects \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

c/ Resources assume \$52 million in carryover, plus \$68 million in anticipated recoveries from prior obligations estimated to be collected during 2021, minus \$36 million from sources 1974 and prior that are withdrawn. It reflects \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

PROGRAM PURPOSE

The Housing Certificate Fund (HCF) is best described as a composite account. Prior to 2005, it funded contracts that are now administered in 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 annual appropriations 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) PBRA 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.
- Any undisbursed funds remaining on contracts at termination are recaptured and either cancelled or re-appropriated (depending on the source year). Eligible uses of recaptures include PBRA renewals, amendments, and administrative fees for multifamily housing programs.

BUDGET OVERVIEW

The 2021 President’s Budget request for HCF reflects the use of anticipated carryover and recaptures from previous years. No additional budget authority is requested. Continuing appropriations language for HCF 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. HUD anticipates using available residual funding from the HCF account to supplement appropriations in the PBRA account. Currently, HUD estimates this need at \$10 million but may use more based on actual operational need. The recaptures in 2021, along with funds remaining from prior year HCF recoveries, are anticipated to support Performance Based Contract Administrators (and/or successor

contracts) and contract renewals in the PBRA program, providing an offset to new appropriations needed in the PBRA account.

JUSTIFICATION

For more detailed information, please see the PBRA justification.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2019 Budget Authority	2018 Carryover Into 2019	2019 Total Resources	2019 Obligations	2020 Appropriation	2019 Carryover Into 2020	2020 Total Resources	2021 President's Budget
Contract Administrators	-	128,572	128,572	88,207	-	72,384	72,384	-
Renewal of Expiring Section 8 Contract	-	30,000	30,000	29,980	-	-	-	-
Total	-	158,572	158,572	118,187	-	72,384	72,384	-

Notes(s):

- For 2019, resources include \$142.4 million in carryover, adjusted downward by \$11.8 million. It includes \$49.3 million in recoveries from prior obligations collected during 2019, minus \$21.4 million from sources 1974 and prior that are withdrawn and reflecting \$12.3 million from source years 1975-1987 that were cancelled and an equal amount appropriated.
- For 2020, resources include \$40.4 million in carryover, plus \$68 million in anticipated recoveries from prior obligations estimated to be collected during 2020, minus \$36 million from sources 1974 and prior that are withdrawn. It also reflects \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.
- For 2021, resources assume \$52 million in carryover, plus \$68 million in anticipated recoveries from prior obligations estimated to be collected during 2021, minus \$36 million from sources 1974 and prior that are withdrawn. It reflects \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

APPROPRIATION LANGUAGE

The 2021 President's Budget includes proposed changes in the appropriation language listed below. New language is italicized, and language proposed for deletion is bracketed.

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 [2020] *2021* 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 [shall be rescinded] *are 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 [rescinded] *permanently cancelled*, and an amount of additional new budget authority, equivalent to the amount [rescinded] *permanently cancelled* is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available. (*Department of Housing and Urban Development Appropriations Act, 2020.*)