

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of Public and Indian Housing

### Public Housing Fund

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2022 Appropriation	8,451,500	451,661	-	8,903,161	8,179,208	6,084,525
2023 Appropriation	8,514,000	634,103	-	9,148,103	8,424,000	6,616,000
2024 President's Budget	8,893,000	628,000	-	9,521,000	8,796,000	7,929,000
Change from 2023	379,000	(6,103)	-	372,897	372,000	1,313,000

a/ Carryover into 2022 is shown net \$87 million transferred for subsidy payments for units converting under the Rental Assistance Demonstration (RAD).

b/ Carryover for 2023 is shown net of \$90 million estimated to be transferred for RAD.

c/ Carryover for 2024 includes an estimated \$725 million of unobligated balances and the estimated projected transfers of \$90 million for RAD and \$7 million for the IT Fund.

#### PROGRAM PURPOSE

The Public Housing Fund supports the Public Housing program by providing Federal grants necessary for Public Housing Agencies (PHAs) to operate, maintain, and make capital improvements to approximately 917,000 affordable public housing units in 2024, serving over 1.7 million residents across 860,000 households, over half of whom are extremely low-income. The public housing stock serves an important role in the Nation's housing market, ensuring housing for some of the Nation's most vulnerable families. Local administration of Federal grant funds allows communities the enhanced flexibility to tailor public housing to suit local needs, including establishing admission preferences for the elderly, disabled, and homeless persons, as well as the working poor.

#### BUDGET OVERVIEW

The 2024 President's Budget requests \$8.9 billion for the Public Housing Fund, which is \$379 million more than the 2023 enacted level. The Budget request supports the following activities:

- \$8.4 billion for Public Housing Formula grants, of which approximately \$5.133 billion is distributed based on the Public Housing Operating Fund formula and \$3.225 billion is distributed based on the Public Housing Capital Fund formula;
- \$300 million for new Site-Based Public Housing Enhancement, Resilience, and Efficiency (SPHERE) Grants (including \$20 million for Utility Benchmarking);
- \$15 million for new Physical/Capital Needs Assessment Initiative;
- \$60 million for Housing Health Hazards;
- \$25 million for Lead-Based Paint Hazards;
- \$20 million for Emergency and Disaster grants;
- \$20 million for Safety and Security grants;
- \$45 million for Receivership, Troubled and High-Risk PHAs; and
- \$50 million for Operating Shortfall Prevention;

These programs align with HUD 2022-2026 Strategic Objectives 1B: *Reduce Homelessness*, 1C: *Invest in the Success of Communities*, 2A: *Increase the Supply of Housing*, 2B: *Improve Rental Assistance*, 4A: *Guide investment in Climate Resilience*, and 4B: *Strengthen Environmental Justice*.

## JUSTIFICATION

The Public Housing Fund provides payments to about 2,750 PHAs for the operation, management, maintenance, and capital needs of publicly owned affordable rental housing throughout the United States and its territories. The Public Housing Fund is primarily allocated as grants to support operations awarded pursuant to Section 9(e) of the United States Housing Act of 1937 and grants to support capital needs awarded pursuant to Section 9(d) of the Act.

The Public Housing program is a vital part of the Nation's critical infrastructure. Operating housing and investing in modernization are demonstrated economic generators. Investing in public housing is also crucial to reversing the negative impacts of racism and discrimination in access to quality, affordable housing. Black, Latino, Native American, and Asian families make up over two-thirds of people living in public housing. Eliminating health hazards like lead and mold, improving heating and cooling systems, and upgrading building amenities like elevators and broadband access gives these families a stronger foundation for success. Finally, through regular capital investments, ongoing maintenance efforts, and strategic funding available through targeted set-asides, the Public Housing program serves to ensure that HUD and PHAs are meeting the important goal of providing a healthy and safe living environment to the families living in public housing. As part of the Public Housing Fund, the newly proposed SPHERE grants will tackle these issues directly by targeting capital investment to properties that need it the most.

The Public Housing program has long been vital to the Federal housing safety net. Support of the Public Housing Fund enables the preservation of deeply affordable units specifically targeted to serve low- and extremely low-income families, thus strengthening the Federal housing safety net for those in need. Private market rental costs are continually unaffordable for families with low- and extremely low incomes. For these families, public housing offers an affordable, stable platform to access other resources and supports to improve economic and social mobility.

### **Grants Awarded for Operations**

Public Housing operating grants are the only dedicated Federal resource available to PHAs to operate and maintain the Nation's public housing stock. PHA eligibility for an operating grant is based on the Operating Fund formula established through negotiated rulemaking in 2007 and codified at 24 CFR 990. This funding covers day-to-day operational expenses associated with public housing and program implementation expenses that PHAs are required to undertake under Section 9(e) of the U.S. Housing Act of 1937 and existing program regulations.

These expenses include, but are not limited to:

#### Public Housing Operation:

- Management and operations, including staff costs;
- Operating costs for privately owned public housing units in mixed-finance projects;
- Routine and preventative maintenance;
- Anti-crime, anti-drug, and security activities;
- Utility costs;
- Resident supportive services, support coordinators, and participation activities; and
- Insurance.

#### Public Housing Program Implementation:

- Recertifications of income and household composition;
- Timely rent collection;
- Submission of annual unaudited and audited financial statements to HUD;

PUBLIC HOUSING FUND

- Asset management over the physical and financial integrity of the program;
- PHA Self-Inspections
- Planning for the long-term capital needs to maintain the viability of PHA properties; and
- Debt service incurred to finance unit rehabilitation and development.

In addition, please see the “Resident Health Equity Innovation” description in the Self Sufficiency Programs justification for more details on how operating grants can support residents’ health.

The Budget proposes operating grants in the amount of \$5.1 billion. Funding at this level is projected to be sufficient to cover 100 percent of public housing operating expenses.

**TABLE 1: 2024 OPERATING FUND ELIGIBILITY**

(Dollars in Thousands)

Description		Actual FY 2022	Estimate FY 2023	Estimate FY 2024
1	Non-Utility Expense Level (PEL)	\$5,261,633	\$5,349,132	\$5,338,769
2	Utilities	\$1,571,171	\$1,838,758	\$1,883,432
3	Less: Tenant Income	-\$3,143,733	-\$3,152,239	-\$3,126,754
<b>4</b>	<b>Public Housing Operating Fund Base (Lines 1-3)</b>	<b>\$3,689,070</b>	<b>\$4,035,652</b>	<b>\$4,045,446</b>
5	MTW Alternative Formula Grant, PHAs not in Base	\$526,857	\$534,642	\$542,541
8	Public Housing Add-ons	\$0	\$0	\$0
9	Elderly/Disabled Coordinators	\$15,324	\$15,799	\$16,388
10	Resident Participation	\$20,917	\$20,386	\$20,111
11	Energy-Add On for Loan Amortization	\$38,985	\$40,192	\$41,237
12	Payments in Lieu of Taxes	\$174,222	\$179,622	\$184,293
13	Cost of Independent Audit	\$24,482	\$25,245	\$25,901
14	Asset Management Fee	\$31,776	\$30,970	\$30,552
15	Information Technology Fee	\$21,657	\$21,108	\$20,822
16	Asset Repositioning Fee	\$74,117	\$76,391	\$78,377
17	Mutual Help and Turnkey Units	\$7	\$7	\$7
18	Estimated Appeals	\$0	\$10,000	\$10,000
19	Stop Loss	\$122,214	\$119,112	\$117,504
<b>20</b>	<b>Subtotal: Operating Fund Base (Lines 4-19)</b>	<b>\$4,739,627</b>	<b>\$5,109,125</b>	<b>\$5,133,000</b>

**Information Technology (IT)**

Within the IT Fund, the Budget requests \$3.7 million to support the PIH Modernization (EIV Modernization & HUDCAPS Section 8) and the Disaster Tracking System.

PIH Modernization (EIV Modernization & HUDCAPS Section 8) - \$1.1 million: This project encompasses and funds two efforts partially funded in the Consolidated Appropriations Act, 2023: Enterprise Income Verification (EIV) modernization and HUDCAPS Section 8. The purpose of these investments, by project, are:

- *EIV Modernization - \$418 thousand:* EIV modernization will allow HUD to modernize its EIV system which was developed approximately 20 years ago as a custom-built application

used to verify both prospective and existing HUD housing applicants' income and assets to ensure their eligibility for rental assistance. EIV has been a vital system used by Public Housing Agencies (PHAs) and other HUD rental housing providers for HUD's compliance with the Payments Integrity Information Act (PIIA), of which HUD is non-compliant. Specifically, this investment will allow for the creation of an entirely new application with many new and critical functions including integration with the Housing Information Portal (HIP), which is the replacement for PIH's Inventory Management System-Public Housing Information Center (IMS-PIC) and application programming interfaces (APIs) that will allow for potentially daily data exchanges with partner Federal Agencies that provide income and asset data used for income verification, including, but not limited to: the Social Security Administration, Department of Health and Human Services Office of Child Support Enforcement, and the Internal Revenue Service.

- *HUDCAPS Section 8 - \$684 thousand:* The HUDCAPS Section 8 IT modernization effort will continue to focus on ensuring key accounting events and the disbursements of subsidy payments are migrated from the HUD Central Accounting Program System (HUDCAPS) and are properly interfaced with HUD's General Ledger. This is a requirement for retiring HUDCAPS (a legacy, but vital mainframe application). HUDCAPS disburses approximately \$27 billion in Housing Assistance Payment (HAP) and Administrative Fees (Admin Fee) for TBRA annually. The IT knowledge base of HUDCAPS (ongoing operations and maintenance support) is extremely limited and shrinking quickly, creating potential risk that HUD may not be able to support HUDCAPS, risking payments to PHAs and owners/landlords of voucher units. This effort will integrate with PIH's new Enterprise Voucher Management System (EVMS), which automates the calculation, but does not disburse HAP and Admin Fee payments with the recording of the financial activity and the disbursement of funds. The integration of EVMS and this new solution is one element that will enable the Department to reduce its reliance on the legacy HUDCAPS system. This will allow for the Department to move closer to its goal of decommissioning HUDCAPS.

Disaster Tracking System - \$2.6 million: There are 150 to 250 disasters that affect HUD-assisted families each year. The existing process for gathering and analyzing data is manual, labor intensive, prone to reporting delays, and fragmented across different parts of HUD. This IT investment will provide an automated, streamlined workflow, reporting, and tracking mechanism. It will enable HUD to better visualize disaster impacts on assisted families and properties across the United States, quickly identify resources such as alternative/temporary housing, and efficiently deploy those resources to mitigate the disasters' effects. This automated platform could serve as the foundation for a HUD-wide disaster reporting system that shows all HUD-assisted families and properties in one dashboard for a coordinated, agency-wide approach to each disaster.

Operating Fund Portal (ongoing investment from prior year funding): HUD continues to modernize its IT systems to improve the administration of Public Housing programs. In coordination with the Office of the Chief Information Officer, PIH rolled out the 52722/52723 forms in the Operating Fund Portal in 2023 to bring the means for submission of some 13,000 forms annually into the 21<sup>st</sup> century. This is a significant change for HUD and the PHAs, which previously relied upon 20<sup>th</sup> century technology (Excel workbooks) for the processing of subsidy eligibility calculations. The Operating Fund portal substantially automates many other aspects of the funding process for both PHAs and HUD. Enhancements to existing modules and the development of new modules are planned to be rolled out in 2024.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

## Grants Awarded for Capital Needs

Public Housing capital grants are the primary source of funding for capital improvements, public housing rehabilitation, reinvestment, and development. The Budget provides \$3.2 billion for grants to be awarded pursuant to the Capital Fund Formula enumerated at 24 CFR 905.400. This proposed amount represents a one percent increase above the 2023 level and approaches the estimated level (as of 2010) required to satisfy the annual accrual amount.

Eligible uses of capital grants include, but are not limited to:

- Addressing deferred maintenance needs;
- Development, financing, and rehabilitation activities;
- Vacancy reduction;
- Resident relocation;
- Programs supporting economic self-sufficiency of public housing residents;
- Resident security and safety activities;
- Homeownership activities;
- Integrated utility management and energy-saving measures; and
- Debt service.

The most recent portfolio-wide Capital Needs Assessment (CNA), completed in 2010, estimated the backlog of unmet public housing capital needs at approximately \$26 billion. Since the 2010 study, the Public Housing Capital Fund grant program has not been funded at the annual accrual need estimated in 2010, much less the increased need caused by inflation in construction and modernization costs over time. The Department has extrapolated the 2010 study estimates to today and estimates that annual accrual requirements are currently higher than \$4 billion and that the backlog of unmet capital needs has grown to more than \$50 billion. The SPHERE grants will target additional capital resources directly to the distressed properties that need it the most.

Although the public housing inventory has been reduced and many units have been rehabilitated since 2010, the financial impact of inflation and deferred capital investment in the public housing inventory is substantially greater than any decrease in need associated with the units that have left the inventory or have since been revitalized. HUD's Office of Policy Development and Research has engaged a contractor to conduct a study that will assess the usefulness of underlying capital needs data available to HUD and PHAs, assess how PHAs estimate capital needs, glean best practices employed in doing so, and provide the best estimate of the nationwide capital needs of public housing possible given limited resources while recommending future estimation methods.

In addition, HUD proposes \$15 million to assess the physical and capital needs of units supported by the Public Housing Fund at both the national and site-specific levels. This will enable HUD to provide more accurate data to the Congress and stakeholders on the total capital need as well as enable HUD to more easily identify properties that have extensive capital needs that should be targeted through SPHERE and other reinvestment tools.

Public Housing capital grants remain essential to achieving HUD's goals related to improving the quality of public housing, increasing occupancy in public housing, decreasing energy costs, and leveraging Federal resources.

- Improving the quality of Public Housing: More than half of the Nation's public housing stock was constructed prior to 1970; some as early as 1936. As a result, these units require significant rehabilitation work to bring them into a condition that is safe, decent, and sustainable.
- Increasing occupancy in Public Housing: The occupancy of public housing units remains stable at approximately 94.7 percent, and HUD's goal is to improve that occupancy rate to 95.5 percent by the end of 2023. HUD is focused on the challenge of preserving the availability of quality

affordable rental housing to provide necessary housing for low-income families to improve their lives, prevent homelessness, and reduce worst-case housing needs. Investing in public housing also addresses racial inequities, as over two-thirds of public housing residents are people of color.

- **Decreasing utility consumption and costs:** As part of the Administration's whole-of-government approach to the climate crisis, the Department is improving utility conservation options through a targeted set-aside to support site-based capital investments in public housing buildings that will include energy conservation measures, as well as through benchmarking activities. Public Housing capital grants provide PHAs with the necessary resources to increase utility conservation as they modernize their inventory.
- **Leveraging Federal resources:** Given the current Federal fiscal environment, PHAs cannot meet their needs by using only Federal funds and must leverage outside investment. The Rental Assistance Demonstration (RAD), the Capital Fund Financing Program (CFFP), the Choice Neighborhoods program, and the Mixed-Finance Initiative all help to achieve this goal. HUD has approved \$4.8 billion through loan and bond financing to date through the CFFP, and approximately \$2.5 billion worth of tax credits has been leveraged. Through the Choice Neighborhoods program, the \$1.3 billion investment in housing and communities has leveraged \$8 dollars for every \$1, and HUD's Mixed-Finance Initiative has leveraged \$14 for every \$1 over the last four years. Finally, RAD projects have leveraged approximately \$1.9 billion in Public Housing funds for capital repairs and construction with \$28.8 billion in other funds, a \$1.00 to \$15.50 ratio. Post RAD conversion, no additional Public Housing funding is provided, but the projects continue to access the private markets and locally available sources. To date, RAD-PBV project owners have invested an additional \$317 million.

The Department will continue to use its statutory authority under the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55) to transfer amounts from the 2024 Operating and Capital Fund grants appropriations to the Tenant-Based Rental Assistance (TBRA) and/or Project-Based Rental Assistance (PBRA) accounts to fund renewal costs for public housing units converting under RAD in the calendar year 2023.

### **Site-Based Public Housing Enhancement, Resilience, and Efficiency (SPHERE) Grants**

The Budget includes a new \$300 million grant program to promote the preservation of public housing through targeted capital investments in properties with critical, extensive, and pervasive modernization needs that are not met through annual formula grants. Up to \$20 million of the funds allocated to SPHERE will be used to advance public housing benchmarking in 2024.

Rapidly addressing unmet capital needs immediately reduces health and safety threats to residents, mitigates risks of compounding costs due to further degradation of the physical assets, and enhances the resilience and efficiency of public housing. These targeted capital investments will further the Administration's priorities by preserving the critical housing supply, improving living conditions, and promoting climate resilience since this proposed program would require capital investment in state-of-the-art utility conservation measures.

The SPHERE funding will create better living conditions in the Public Housing program, as the goal is to ensure that these resources are available to the communities that need them most, whether large or small, suburban, urban, or rural. Grants would be awarded competitively with consideration of geographic diversity and a priority to provide funding to properties with extensive capital needs or in need of a particularly high-impact investment (i.e. a property that is generally sound but needs to invest in a high-cost component for the property to remain viable).

Smaller public housing properties have extensive unmet modernization needs that are typically not met with existing reinvestment/recapitalization tools. One example is the very small 35-unit elderly development in Jamestown, Rhode Island. Jamestown Housing Authority (JHA) applied for and

received an emergency grant to replace the obsolete oil-fired heating system that it had diligently repaired over the years, but, in recent years, had to reset roughly every six hours during the winter weather months. It also had an obsolete electrical system that had become a fire hazard. The combined cost of fixing these issues amounted to approximately \$1 million dollars. Unfortunately, JHA's annual Capital Fund formula allocation, at roughly \$60,000 per year, did not provide nearly enough money to raise enough funding to meet these critical capital needs through any financing mechanism. The Department was able to preserve this property through the emergency grant so that it could continue to serve its small community through targeted capital investment. HUD is certain that there are many more small and rural PHAs with properties like JHA's property in the inventory that have very high unmet modernization capital needs. The residents in such properties should not have to wait until there is an emergency for these properties to receive the critical capital investments their properties need.

The Department anticipates that PHAs will leverage a substantial portion of this funding such that the proposed funding level will result in the modernization of close to 5,000 units. This amount of funding can be expected to gradually reduce the longstanding backlog of capital needs in the public housing inventory. Investments in climate mitigation and resilience pay for themselves many times over: the National Institute of Building Sciences estimates \$6 in savings for every \$1 spent through Federal mitigation grants funded and a benefit-cost ratio of 4:1 for investments complying with model building codes.

### **Public Housing Utilities Benchmarking**

Utility benchmarking is a tool that enables utility management and provides a data-driven basis for electronically tracking utility consumption, cost data, and respective building characteristic data for capital improvements planning. It can support and measure improvements in the program and can measure the carbon reduction achieved through the program. The Budget proposes up to \$20 million of the funds allocated to SPHERE to advance public housing benchmarking in 2024 to create operational improvements by providing robust technical assistance to support agencies that would voluntarily participate in a pilot benchmarking effort in 2024, as well as enable HUD to meet its regulatory obligations to complete a feasibility study and hold a public meeting.

HUD believes strongly that implementing utilities benchmarking across its assisted housing portfolio will serve to inform PHAs, owners, and HUD of the performance of its portfolio to support informed decision-making. HUD's 2024 Budget presents a unified goal of implementation across the portfolio, while also providing each program flexibility to implement based on the specific needs and current program requirements.

The chronic underfunding of the Public Housing program has left a significant portion of the portfolio in need of capital investment to modernize systems to reduce energy and water consumption. PHAs have useful, but limited, incentive programs built into the Operating Fund Formula that reward PHAs that invest in energy conservation measures by allowing them to keep a portion of the savings (a portion is also shared with HUD). Pursuing utility benchmarking will help PHAs and those supporting housing authorities to understand where inefficiencies exist in order to prioritize the investment of limited grant or financing resources by showing areas that may need more funding and development to improve.

Unlike utility benchmarking in other HUD programs, the Public Housing program is required to conduct a feasibility study and complete a Federal Advisory Committee Act (FACA) process as part of its benchmarking effort. HUD will then advance the recommendations of the study as well as feedback from stakeholders at the FACA to identify policies, system requirements, and develop a benchmarking system that leverages existing technology and systems. HUD plans to require mandated utility benchmarking across the portfolio when systems are operational. For public housing, HUD plans to require benchmarking after completing the regulatory requirements related

to a feasibility study and public process. These efforts include the analysis of comprehensive data, systems, and processes to identify a viable approach to implementing benchmarking for public housing.

Further, up to \$7 million of the \$20 million funding could be used to support IT systems upgrades to implement benchmarking across the public housing portfolio, a significant operational improvement. These upgrades could include improved data collection activities, connecting HUD systems to external benchmarking systems (e.g. EPA's Portfolio Manager), and other automation of activities. Based on HUD's experience with the Better Buildings Challenge, if \$10 million in funding were used to support a benchmarking pilot, HUD could provide TA to approximately 280 PHAs, or 10 percent of the PH portfolio. This would provide PHAs with technical assistance in their effort to report into the Portfolio Manager and equip PHAs to use the benchmarking data to improve their energy and water efficiency. Depending upon the size of the PHAs participating, we would expect this to impact approximately 90 thousand units or 10 percent of the public housing portfolio.

### **Physical/Capital Needs Assessment Initiative**

The Budget includes \$15 million to assess the capital needs of the 917,000 units supported by the Public Housing Fund. This will allow HUD to collect needed data to accurately assess the capital needs of the public housing inventory both at a national level and at a site-specific level. It would obtain the data both through conducting HUD-contracted physical/capital need assessments of properties and through reviewing and integrating data provided by PHAs that have conducted their own assessments. HUD-contracted assessments would particularly focus on assessing the needs of properties of smaller PHAs that have limited funding and capacity to conduct assessments on their own, as well as validating a sample of properties covered by an assessment conducted by PHAs. Based on this data, HUD would be able to provide accurate information to the Congress and other stakeholders about the total capital need of the public housing inventory, and HUD could more easily and accurately identify properties that have extensive capital needs in order to provide technical assistance and facilitate directing adequate capital investment resources to address the need. In addition, the proposal would also give PHAs that lack capacity access to sound capital planning. In conducting assessments, HUD would emphasize evaluating each property's potential for health/safety investments, improved energy efficiency, and the potential need to ameliorate climate risks. At the proposed level of funding, HUD believes that it could assess the capital needs of approximately 20 percent of the inventory per year, with the objective of obtaining an increasingly accurate assessment of the nationwide inventory over the course of subsequent years and then maintaining an accurate assessment of the inventory on an annual basis similar to the way that HUD inspects properties to assess how well PHAs maintain their properties.

### **Public Housing Grants for Housing Health Hazards**

The Budget proposes \$60 million in funding to PHAs for competitive grants to help PHAs identify and eliminate housing-related hazards in public housing such as mold, carbon monoxide, radon, enhancing fire safety, and other housing hazards. Improving the environmental conditions and safety for public housing residents and, as a result, their health outcomes help further progress toward environmental justice and health equity. PHAs would benefit from dedicated funds for evaluation and mitigation. Evaluations will include comprehensive assessments of moisture intrusion, ventilation, and other structural defects that can contribute to unhealthy conditions. These repairs can help reduce allergies and asthma exacerbation in residents, especially children, and help prevent injury and death.

### **Public Housing Grants for Lead-Based Paint Hazards**

The Budget includes up to \$25 million to support competitive grant funding to address health hazards from lead-based paint in public housing units. Funding for the determination and



remediation of health hazards related to lead-based paint remains a critical need as most public housing units were constructed prior to 1978 and have the extensive potential for lead-based painted surfaces. These grants are a successful tool to address health inequity among public housing residents nationwide, particularly for children under the age of six who are most at risk of suffering the devastating effects of lead poisoning.

### **Public Housing Grants for Emergencies and Natural Disasters**

The Budget includes up to \$20 million for grants to PHAs for capital needs arising from emergency situations or non-Presidentially declared natural disasters (PHAs whose properties suffer damage because of Presidentially declared natural disasters are eligible to receive funding from the Federal Emergency Management Agency under the Robert T. Stafford Relief Act). Examples of capital needs funded under grants for non-Presidentially declared disasters and other emergencies include: plumbing replacement; sewer line replacement; foundation stabilization; heating, ventilation, and air conditioning (HVAC) replacement; fire alarm replacement; flood abatement and mold removal and repairs; boiler pipe replacement; and emergency window replacement.

### **Public Housing Grants for Safety and Security Needs**

The Budget includes \$20 million for grants to PHAs to address crime and drug-related activity to provide for the safety of public housing residents. The grants for emergency safety and security needs are used to install, repair, or replace capital needs items, including security systems/surveillance cameras, fencing, lighting systems, emergency alarm systems, window bars, deadbolt locks, and doors. The purchase and installation of carbon monoxide detectors may also continue to be an eligible activity, depending on the determination of outstanding need.

### **Receivership, Troubled and High-Risk PHAs**

The Budget proposes \$45 million to support high-risk PHAs, including PHAs in receivership or under the control of a federal monitor, through the following:

- Activities related to recovery from and prevention of receivership;
- Costs associated with recapitalization, transformation, and preservation of affordable housing assets for troubled and high-risk PHAs, including any PHA under the control of a Federal monitor;
- Addressing deteriorated physical conditions to prevent high-risk and troubled PHAs from entering into receiverships and preserve affordable housing for the future; and
- Activities related to technical assistance and administrative costs that enable HUD and PHAs to build capacity, conduct assessments and develop recapitalization strategies for PHAs whose deep capital needs pose financial and operational risks to the agency.

Each year, performance scoring under the Public Housing Assessment System (PHAS) identifies over 500 troubled and substandard PHAs, and the number of agencies trending toward substandard performance continues to increase each year due to aging stock beyond its useful life, backlogged capital repairs, diminishing Federal dollars, and other operational challenges.

Further, as evidenced by REAC financial and physical data, there are 864 developments with approximately 266,000 units in a poor physical condition where the PHA may not have resources to address physical needs. The data also identifies 650 developments representing 114,859 units with a limited remaining useful life with failing or trending to fail physical scores.

To address the collective needs of these agencies, since 2019, HUD has undertaken a concerted effort to work with PHAs to evaluate the on-the-ground challenges, provide technical assistance to PHAs to focus capital investments, and address operational inefficiencies.

Funds will also be provided to target housing agencies at high risk, in receivership, substandard, or troubled for the purpose to improve the physical condition of public housing units, to increase occupancy at public housing developments, and to reduce the number of vacant public housing units.

**Public Housing Operating Shortfall Funding**

The Budget proposes \$50 million for public housing operating shortfall funding. Funding awarded for operational shortfalls would enable HUD to provide targeted assistance to agencies with short-term operational challenges. Through the awarding process for such funds, HUD requires PHAs receiving such funds to enter targeted corrective actions in order to determine the causes of PHA shortfalls and to address such causes on a case-by-case basis. Additionally, PHAs are required to submit annual budgets and actuals. Through this process, HUD can determine whether the PHA is taking appropriate changes and evaluate the effectiveness of those changes.

Since the program’s inception, the Department has seen improvement in the financial health and stability of the PHAs participating in the Shortfall program. For the 2020 and 2021 Shortfall funding years, to access funds PHAs were required to achieve and maintain an operating reserve balance of one month of expenses or better on their subsequent financial statements. As of January 2023 reporting, approximately 91 percent of the PHAs that received Shortfall in 2020 met this goal. Furthermore, Shortfall-funded PHAs have, on average, improved their financial position by increasing their operating reserves by 200 percent to 300 percent. For instance, the median Months of Reserves (MOR) of 2020 Shortfall PHAs went from 1.1x in their eligibility year to 3.9x after 2 to 3 years.

The following chart shows the eligibility and funding numbers for the program’s three funding years.

**TABLE 2: PHA ELIGIBILITY AND FUNDING NUMBERS BY FISCAL YEAR**

Funding Year	PHAs#		Amounts \$	
	Eligible	Funded	Eligibility	Funded
2020	220	138	\$112M	\$25M
2021	167	127	\$143M	\$25M
2022	262	181	\$374M	\$25M

Moreover, PHAs have faced additional financial challenges as a result of the pandemic, causing unpaid tenant rent balances to swell. In 2020 and 2021, PHAs were unable to collect between 5 and 20 percent of their rents. This is in contrast to uncollected rent balances of between 3 and 10 percent before the pandemic. Even with the impact of the pandemic beginning to wane, PHAs have expressed difficulty and concerns about recovering unpaid balances. The 2022 PHA financial data affirms the PHA’s concerns as the unpaid tenant rent balances continue to remain elevated. HUD anticipates that the collection process for unpaid rents will be lengthy and costly for the PHAs and fraught with a low probability of success. The Shortfall program has been a backstop for the PHAs most impacted by unpaid rent balances. As a result, in 2022, HUD added to Shortfall eligibility the change in unpaid tenant rents prior to the pandemic and their current financial statements. HUD calculated that the change in unpaid rent balances added over \$123 million to the 2022 Shortfall eligibility shown in the table above. The increase in the request in 2024 reflects the significant need that was unfunded in 2022 and 2023 and the continued impact of the Tenant Accounts Receivable (TARS) on PHA financial statements expected throughout 2023.

### **Financial and Physical Assessment**

HUD is proposing to move the Financial and Physical Assessments fund from the Public Housing Fund and create a new account, the Operational Performance Evaluation and Risk Assessment (OPERA), as the single fund for all property inspections and assessments.

Please see the OPERA justification for more details.

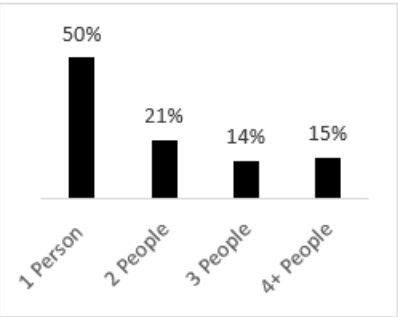
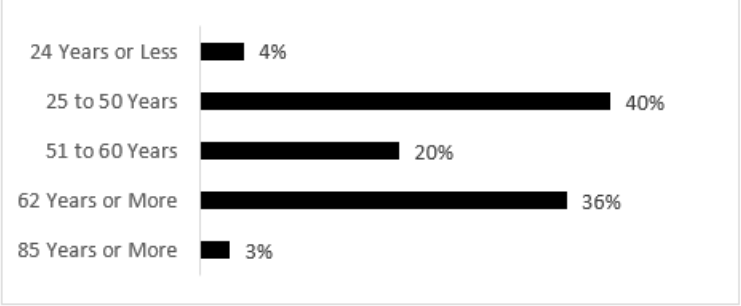
### **Public Housing Resident Characteristics**

Currently, the Public Housing program serves families with an average household income of approximately \$17,000, less than a quarter of the 2021 U.S. median household income of \$70,784. Extremely low-income families (families earning less than 30 percent of an area's median income) make up approximately 73 percent of public housing households. Almost one-third of public housing households earn wages as a major source of income, with approximately 64 percent of wage earners earning between \$5,000 and \$25,000. Over half of the households receive fixed incomes. The elderly and persons with disabilities head 55 percent of households (see charts below). Over one-third (36 percent) of all households served include children. The average household contributes \$374 a month toward rent and utilities. The chart below provides the demographics of public housing residents as of December 31<sup>st</sup>, 2022.

### **Equity**

Investing in public housing is crucial to reversing the negative impacts of racism and discrimination in access to quality, affordable housing. Research shows that communities of color and low-income neighborhoods are disproportionately impacted by and experience greater negative health outcomes due to historic environmental degradation. Black, Latino, Native American, and Asian families make up over two-thirds of people living in public housing. Eliminating health hazards like lead and mold, improving heating and cooling systems, increasing climate resilience, improving energy efficiency, and upgrading building amenities like elevators and broadband access gives these families a stronger foundation for success. Finally, through regular capital investments, ongoing maintenance efforts, and strategic funding available through targeted set-asides, the Public Housing program serves to ensure that HUD and PHAs are meeting the important goal of advancing equity by providing a healthy and safe living environment for families living in public housing.

## Q2 2023 Public Housing Tenant Characteristics

<p><b>How many households and people are served?</b></p> <p><b>1.7 million people</b></p> <p><b>860 thousand households</b></p>	<p><b>What are the racial characteristics of the tenants?</b></p> <p style="text-align: center;">This program serves a relatively demographically diverse population. <b>77%</b> of residents are in a minority group.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="text-align: center;"><i>Asian/ Pacific Islander</i></td> <td style="text-align: center;"><i>Black, non- Hispanic</i></td> <td style="text-align: center;"><i>Hispanic</i></td> <td style="text-align: center;"><i>Native American</i></td> <td style="text-align: center;"><i>White, non- Hispanic</i></td> </tr> <tr> <td style="text-align: center;"><b>3%</b></td> <td style="text-align: center;"><b>45%</b></td> <td style="text-align: center;"><b>27%</b></td> <td style="text-align: center;"><b>1%</b></td> <td style="text-align: center;"><b>23%</b></td> </tr> </table>	<i>Asian/ Pacific Islander</i>	<i>Black, non- Hispanic</i>	<i>Hispanic</i>	<i>Native American</i>	<i>White, non- Hispanic</i>	<b>3%</b>	<b>45%</b>	<b>27%</b>	<b>1%</b>	<b>23%</b>	<p><b>What are the characteristics of the heads of household?</b></p> <p>Female-headed families with children <b>31%</b></p> <p>Elderly <b>36%</b></p> <p>Non-elderly disabled <b>19%</b></p>								
<i>Asian/ Pacific Islander</i>	<i>Black, non- Hispanic</i>	<i>Hispanic</i>	<i>Native American</i>	<i>White, non- Hispanic</i>																
<b>3%</b>	<b>45%</b>	<b>27%</b>	<b>1%</b>	<b>23%</b>																
<p><b>How big are the households?</b></p>  <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td>1 Person</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>2 People</td> <td style="text-align: right;">21%</td> </tr> <tr> <td>3 People</td> <td style="text-align: right;">14%</td> </tr> <tr> <td>4+ People</td> <td style="text-align: right;">15%</td> </tr> </table>	1 Person	50%	2 People	21%	3 People	14%	4+ People	15%	<p><b>How old are the heads of household?</b></p>  <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td>24 Years or Less</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>25 to 50 Years</td> <td style="text-align: right;">40%</td> </tr> <tr> <td>51 to 60 Years</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>62 Years or More</td> <td style="text-align: right;">36%</td> </tr> <tr> <td>85 Years or More</td> <td style="text-align: right;">3%</td> </tr> </table>	24 Years or Less	4%	25 to 50 Years	40%	51 to 60 Years	20%	62 Years or More	36%	85 Years or More	3%	<p><b>What is the share of rent paid by the tenant and HUD?</b></p> <p>Average household contribution: <b>\$374</b></p> <p>Average HUD Contribution: <b>\$788</b></p>
1 Person	50%																			
2 People	21%																			
3 People	14%																			
4+ People	15%																			
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62 Years or More	36%																			
85 Years or More	3%																			
<p><b>What are the income levels of assisted households?</b></p> <p style="text-align: center;">Tenants make an average gross income of <b>\$17,025</b>. <b>72%</b> of households earn \$20,000 or less per year</p>		<p><b>How do household incomes compare to the local area median income?</b></p> <p>Extremely low income (less than 30% AMI) <b>73%</b></p> <p>Very low income (30% to 50% AMI) <b>17%</b></p> <p>Low Income (50% to 80% AMI) <b>7%</b></p>																		

Some percentage totals not equal to 100 due to rounding.  
Source: HUD PIC and TRACS databases, December 2022 extract.

## **Key Assumptions**

The key assumption for capital improvement grants is that the 2010 Capital Needs Study remains a valid foundation for estimating capital needs. While there is substantial uncertainty about the current accrual and backlog needs of the public housing inventory, the Department has extrapolated the 2010 study estimates to today considering the compounding noted above as well as changes to the inventory and estimates that the backlog of unmet capital need has grown to more than \$50 billion. Based on information from PHA assessments, such as data from a New York City Housing Authority assessment, HUD estimates that the backlog may be substantially more than \$50 billion.<sup>1</sup>

The key assumptions for the Emergency and Disaster, Safety and Security, Housing Health Hazards, Lead-Based Paint, Receivership, Troubled and High-Risk grants are that the number of applications and the amounts of each request for these programs will remain consistent over time.

The key assumptions for the SPHERE proposal are the requested funding level will result in the modernization of close to 5,000 units with approximately \$60,000 in funding, which, with a leverage ratio of 4 to 1 would provide a sufficient level of funding to address properties that have very extensive capital needs.

## **Outcomes, Performance Indicators, and Other Evidence**

For the Public Housing program, funding for capital improvement at the proposed levels will approach the level required to address annual accrual needs, while funding at the Operating Fund levels is expected to provide funding at the full eligibility level.

The \$20 million for Emergency and Disaster grants will fund approximately 15 applications requesting funding to address critical emergency and disaster-related needs. The \$20 million for Safety and Security will fund 80 applications.

The \$50 million for Public Housing Shortfalls will decrease the number of PHAs that are experiencing operating shortfalls, to support their efforts to become more financially stable. It will also address several years of reduced rental collection due to the impacts of the ongoing COVID-19 pandemic.

The \$85 million for Housing Health Hazards will fund approximately 30 applications to address health hazards, such as lead-based paint, carbon monoxide, radon, and mold. HUD estimates that the actual demand for these funds is over \$200 million annually. The 2020 Lead Based Paint funding competition drew eligible applications of more than \$50 million (utilizing all of 2021 appropriated funds at the same time).

The SPHERE proposed funding level will result in the modernization of close to 5,000 units, and funding for benchmarking will be sufficient to meet the regulatory obligations for HUD to determine whether and how to proceed with benchmarking, while also supporting necessary systems upgrades to support implementation.

## **Stakeholders**

The Public Housing program supports approximately 860,000 low-income families.

The Public Housing program relies on various industry stakeholders to effectively administer low-income housing across the country. Specifically, HUD engages various contributing entities to

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<sup>1</sup> <https://www.nyc.gov/assets/nycha/downloads/pdf/PNA%202017.pdf>

PUBLIC HOUSING FUND

provide housing assistance, improve public housing structures, and connect families to crucial supportive services, including:

- Public Housing Authorities;
- Other Federal Agencies, such as the Environmental Protection Agency;
- State and local entities, such as Continuums of Care;
- Energy Services Companies and Energy Industry Associations;
- Construction Industry Firms;
- Housing Industry Associations; and
- Resident Organizations.

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2022 Budget Authority	2021 Carry over Into 2022	2022 Total Resources	2022 Obligations	2023 Appropriation	2022 Carry over Into 2023	2023 Total Resources	2024 President's Budget
Public Housing Formula Grants (Capital Expenses)	3,200,000	14,489	3,214,489	3,144,445	3,200,000	40,170	3,240,170	3,225,000
Public Housing Formula Grants (Operating Expenses)	5,038,500	442,694	5,481,194	4,966,520	5,109,000	456,784	5,565,784	5,133,000
Public Housing Shortfall Prevention	25,000	-	25,000	24,289	25,000	763	25,763	50,000
Emergency Disaster Grants	20,000	1,060	21,060	11,613	20,000	9,462	29,462	20,000
Safety and Security Grants	10,000	-	10,000	10,000	10,000	-	10,000	20,000
Receivership and Monitorship Emergency Grants	45,000	-	45,000	-	20,000	45,000	65,000	-
Financial and Physical Assessment	33,000	21,734	54,734	16,829	50,000	37,913	87,913	-
Receivership, Troubled, High Risk PHAs	15,000	14,986	29,986	1,530	15,000	28,456	43,456	45,000
Site-Based Public Housing Enhancement, Resilience, and Efficiency (SPHERE) Grants	-	-	-	-	-	-	-	280,000
Utilities Benchmarking	-	-	-	-	-	-	-	20,000
Lead-Based Paint Hazards	25,000	5,387	30,387	-	25,000	30,387	55,387	25,000
Housing Health Hazards	40,000	35,000	75,000	-	40,000	75,000	115,000	60,000
Radon Testing	-	4,000	4,000	3,982	-	18	18	-
Physical/Capital Needs Assessment Initiative (2024 New Initiative)	-	-	-	-	-	-	-	15,000
Information Technology Fund	-	-	-	-	-	-	-	[-7,000]
Rental Assistance Demonstration (transfer)	-	(87,689)	(87,689)	-	-	(89,850)	(89,850)	[-90,000]
<b>Total</b>	<b>8,451,500</b>	<b>451,661</b>	<b>8,903,161</b>	<b>8,179,208</b>	<b>8,514,000</b>	<b>634,103</b>	<b>9,148,103</b>	<b>8,893,000</b>

## LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

### Appropriations Language Changes

The 2024 President's Budget includes the following:

- **OPERA**: HUD is proposing to move the Financial and Physical Assessments fund out of Public Housing Fund and create a new account, Operational Performance Evaluation and Risk Assessment (OPERA) as the single fund for all property inspections and assessments. Please see the OPERA justification for more details.
- **Triennial Recertification to Promote Family Wealth Building**: HUD requests language that would provide the Department with the discretion to allow PHAs to, instead of annual or biennial income examinations, implement triennial recertification of income, like what is currently available to PHAs for fixed-income families. PHAs electing triennial recertification of income would promote family wealth building.
- **Transfer of Reserves at Closing to Encourage Repositioning**: To preserve affordable housing, HUD requests permanent authority for a PHA to transfer all or a portion of their remaining balances of section 9(e) of the United States Housing Act of 1937 (the Act) Operating Funds and Operating Reserves, public housing rental and non-rental income, at the time of a public housing disposition through section 18 of the Act or conversion under section 22 of the Act to the PHA's Housing Choice Voucher Program administrative fee reserve. Funds transferred to the administrative fee reserve shall be only for activities related to the provision of the tenant-based voucher and project-based voucher assistance under section 8(o) of the Act, including related development activity.
- **Biannual Selection of Flat or Income-based Rent for Families Experiencing Temporary Fluctuations in Income**: HUD requests language that would provide statutory flexibility to give families that initially chose the flat rent the option but switched to income-based rent during financial hardship, the option of reverting back to paying a flat rent if their income increases back to a level where paying the income-based rent would result in a rental payment exceeding the flat rent. This flexibility would support families who see temporary fluctuations in income from being locked into an income-based rent.
- **Capital and Operating Fund Flexibility**: Under current law, Public Housing appropriations are designated as "Operating" or "Capital," each of which has a separate list of eligible use in statute. Small PHAs (i.e., operating <250 units) are able to have full flexibility between Operating & Capital Funds, but non-small PHA's are only able to use 20 percent flexibility. HUD proposes to great full flexibility to all PHAs.
- **Community Service and Self-Sufficiency Requirements (CSSR)**: HUD requests language to rescind 42 USC 1437c-1 Section 12(c); 42 USC 1437j(c) and (d); 1437d(1)(1) which will effectively rescind CSSR. HUD data do not support that CSSR results in increased self-sufficiency. The current imposition of the CSSR is punitive; research supports direct case management to develop individualized self-sufficiency plans and access to other community services, along with funding to support savings and asset development via interest-bearing escrow accounts redeemable through program participation.<sup>2</sup> Further, past audits indicate unfair application of the CSSR—a requirement which creates unnecessary complexity and burden for residents, administering PHAs, and for HUD.
- **IT Benchmarking Transfer**: HUD requests authority to transfer up to \$7 million from the Public Housing Fund to the Information Technology Fund for IT upgrades to support longer-

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<sup>2</sup> Promoting Work and Self-Sufficiency for Housing Voucher Recipients: Early Findings from the Family Self-Sufficiency Program Evaluation. PD&R, 2019.)

term changes to HUD systems to implement benchmarking across the public housing portfolio, to support integration with the Operating Fund process, and to make other systems upgrades to support integration between HUD and EPA systems.

### General Provisions

The 2024 President's Budget proposes the following new general provision:

Rental Assistance Demonstration: This provision makes programmatic changes to the Rental Assistance Demonstration, including making the program permanent, expanding funding access, and other technical changes. Please see the Project-Based Rental Assistance justification for more details on these changes. (Sec. 236)

The 2024 President's Budget re-proposes the following general provisions that were enacted in the 2023 appropriations bill:

- Small PHA Asset Management Exemptions: This provision allows PHAs that Own and Operate 400 or Fewer Public Housing Units to be Exempt from Asset Management Requirements. (Sec. 210)
- Asset Management Requirements for Capital Funds: This provision prohibits HUD from Imposing Requirements on Asset Management Restricting Capital Funds for Central Office Costs, up to Limit Establishing by QHWRA. (Sec. 211)
- PHA Executive Compensation: This provision prohibits Use of 1937 Act Funds for PHA CEO Salaries Above Level IV of SES Schedule. (Sec. 216)
- Unobligated Research Funds: This provision gives HUD the ability to re-obligate research funds left unexpended at the conclusion of an agreement. (Sec. 219)
- Prohibition on Limiting Lead-Based Paint Grants: This provision prohibits funds from being used to make certain eligibility limitations as part of a notice of funding opportunity for certain competitive grant awards under the Public Housing Fund. (Sec. 225)
- Formula Grant Allocation Adjustments: This provision allows the Department to correct any past formula allocation errors as part of the next applicable formula allocation cycle. (Sec. 227)

## APPROPRIATIONS LANGUAGE

The 2024 President's Budget includes proposed changes in the appropriations language listed below. New language is italicized, and language proposed for deletion is bracketed.

For [2023]2024 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(e)) (the "Act"), and to carry out capital and management activities for public housing agencies, as authorized under section9(d) of the Act (42 U.S.C. 1437g(d)), [\$8,514,000,000]*\$8,893,000,000*, to remain available until September 30, [2026]2027: Provided, That of the sums appropriated under this heading—

(1) [\$5,109,000,000]*\$5,133,000,000* shall be available for the Secretary to allocate pursuant to the Operating Fund formula at part 990 of title 24, Code of Federal Regulations, for [2023]2024 payments: *Provided, That the amount of any forgone increases in tenant rent payments due to the implementation of rent incentives as authorized pursuant to waivers or alternative requirements of the Jobs-Plus initiative as described under the heading "Self-Sufficiency Programs" shall be factored into the PHA's general operating fund eligibility pursuant to such formula;*



(2) [\$25,000,000] *\$50,000,000* shall be available for the Secretary to allocate pursuant to a need-based application process notwithstanding section 203 of this title and not subject to such Operating Fund formula to public housing agencies that experience, or are at risk of, financial shortfalls, as determined by the Secretary: Provided, That after all such shortfall needs are met, the Secretary may distribute any remaining funds to all public housing agencies on a pro-rata basis pursuant to such Operating Fund formula;

(3) [\$3,200,000,000] *\$3,225,000,000* shall be available for the Secretary to allocate pursuant to the Capital Fund formula at section 905.400 of title 24, Code of Federal Regulations: Provided, [ That for funds provided under this paragraph, the limitation in section 9(g)(1) of the Act shall be 25 percent: Provided further, That the Secretary may waive the limitation in the preceding proviso to allow public housing agencies to fund activities authorized under section 9(e)(1)(C) of the Act: Provided further, That the Secretary shall notify public housing agencies requesting waivers under the preceding proviso if the request is approved or denied within 14 days of submitting the request: Provided further.] That from the funds made available under this paragraph, the Secretary shall provide bonus awards in fiscal year [2023] *2024* to public housing agencies that are designated high performers[: Provided further, That the Department shall notify public housing agencies of their formula allocation within 60 days of enactment of this Act];

(4) [\$50,000,000] *\$40,000,000* shall be available for the Secretary to make grants, notwithstanding section 203 of this title, to public housing agencies for emergency capital needs, including safety and security measures necessary to address crime and drug-related activity, as well as needs resulting from unforeseen or unpreventable emergencies and natural disasters excluding Presidentially declared emergencies and natural disasters under the Robert T. Stafford Disaster Relief and Emergency Act (42 U.S.C. 5121 et seq.) occurring in fiscal year [2023, of which \$20,000,000 shall be available for public housing agencies under administrative and judicial receiverships or under the control of a Federal monitor] *2024*: Provided, That of the amount made available under this paragraph, not less than [\$10,000,000] *\$20,000,000* shall be for safety and security measures: Provided further, That in addition to the amount in the preceding proviso for such safety and security measures, any amounts that remain available, after all applications received on or before September 30, [2024] *2025*, for emergency capital needs have been processed, shall be allocated to public housing agencies for such safety and security measures;

(5) [\$65,000,000] *\$85,000,000* shall be available for competitive grants to public housing agencies to evaluate and reduce residential health hazards in public housing, including lead-based paint (by carrying out the activities of risk assessments, abatement, and interim controls, as those terms are defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851b)), carbon monoxide, mold, radon, and fire safety: Provided, That [not less than \$25,000,000 of the amounts provided under this paragraph shall be awarded for evaluating and reducing lead-based paint hazards: Provided further, That] for purposes of environmental review, a grant under this paragraph shall be considered funds for projects or activities under title I of the Act for purposes of section 26 of the Act (42 U.S.C. 1437x) and shall be subject to the regulations implementing such section[: Provided further, That amounts made available under this paragraph shall be combined with amounts made available under the sixth paragraph under this heading in the Consolidated Appropriations Act, 2021 (Public Law 116–260) and shall be used in accordance with the purposes and requirements under this paragraph];

(6) [\$15,000,000] *\$45,000,000* shall be available to support the costs of administrative and judicial receiverships and for competitive grants to PHAs in receivership, designated troubled or substandard, or otherwise at risk, as determined by the Secretary, for costs associated with public housing asset improvement, in addition to other amounts for that purpose provided under any heading under this title; [and]

(7) [\$50,000,000] *\$15,000,000* shall be available to support [ongoing] public housing [financial and physical assessment activities:] *Physical Needs Assessments; and*

(8) *\$300,000,000 shall be available to make high-impact capital investments in public housing, including for competitive grants to public housing agencies for site-specific capital improvements that include investments in energy, water, or resilience to natural disasters: Provided, That for purposes of environmental review, grants under this paragraph shall be considered funds for projects or activities under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) for purposes of section 26 of such Act (42 U.S.C. 1437x) and shall be subject to the regulations implementing such section: Provided further, That of the amounts made available under this paragraph, up to \$20,000,000 shall be available for utility benchmarking, including research and evaluations, technical assistance, and contracts, of which up to \$7,000,000 may be transferred to and merged with amounts made available under the heading "Information Technology Fund" to develop systems and tools necessary to collect and analyze PHA utility benchmarking data:*

Provided further, That notwithstanding any other provision of law or regulation, during fiscal year [2023]2024, the Secretary of Housing and Urban Development may not delegate to any Department official other than the Deputy Secretary and the Assistant Secretary for Public and Indian Housing any authority under paragraph (2) of section 9(j) of the Act regarding the extension of the time periods under such section: Provided further, That for purposes of such section 9(j), the term "obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays, immediately or in the future: *Provided further, That a public housing agency may use operating reserve funds or any amounts allocated to such agency pursuant to the Operating or Capital Fund formulas from amounts made available in this and prior Acts for any eligible activities under sections 9(d)(1) and 9(e)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1) and (e)(1)). (Department of Housing and Urban Development Appropriations Act, 2023.)*