

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

Other Assisted Housing

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2019 Appropriation	5,000	82,902 ^a	-	87,902	1,452	85,981
2020 Appropriation	3,000	114,650 ^b	-	117,650	4,000	120,000
2021 President's Budget	-	139,650 ^c	-	139,650	4,000	60,000
Change from 2020	(3,000)	25,000	-	22,000	-	(60,000)

a/ Amount includes \$73 million of Section 236 Rental Housing Assistance Payments (RAP) and Section 235 combined carryover and \$19 million in combined recoveries. It also includes \$5 million transferred to Project-Based Rental Assistance (PBRA) for subsidy payments for units converting under the Rental Assistance Demonstration (RAD) program.

b/ Amount includes \$86.4 million in RAP and Section 235 combined carryover and \$28.2 million in estimated recoveries.

c/ Amount includes \$113.6 million in RAP and Section 235 combined carryover and \$26 million in estimated recoveries.

PROGRAM PURPOSE

The Rental Housing Assistance Program (RAP) was established by the Housing and Community Development Act of 1974 to provide additional rental assistance subsidy to property owners on behalf of very low-income tenants. HUD stopped issuing new RAP contracts with the introduction of Section 8. Rent Supplement (Rent Supp) contracts were available to Section 221(d)(3) Below Market Interest Rates, Section 231, Section 236 (insured and non-insured), and Section 202 properties to provide rental assistance to low-income tenants for the life of the mortgage. Funds in this account are used to provide extension or amendment funding to existing Rent Supp or RAP contracts or are available for transfer to the PBRA account as Rent Supp or RAP contracts have converted through the Rental Assistance Demonstration (RAD).

The last Rent Supp contract eligible for amendment funding expired in 2017, and the last extension/amendment of a RAP contract was executed in August 2019. Many of these properties converted to long-term Section 8 contracts through RAD.

BUDGET OVERVIEW

The 2021 President's Budget does not request funding for the Other Assisted Housing Program, which is \$3 million less than the 2020 enacted level. HUD is not requesting any funding because the last extension/amendment was executed in August 2019; and no additional funding is needed for transferring unobligated balances to the PBRA account to support Rent Supp and RAP project conversions through RAD.

The 2021 President's Budget also requests new authority that would authorize the transfer of any remaining funds in this account to the "Housing for the Elderly" account to be used for capital advance contracts for new housing for the elderly or for service coordinators for elderly residents.

JUSTIFICATION

HUD has successfully preserved the last remaining Rent Supp properties via a conversion to a Section 8 contract through RAD in December 2018 and the last remaining RAP properties completed conversion in December 2019. In total, over 28,000 deeply affordable units will have been preserved

and placed on a long-term assistance contract, while phasing out an outdated program. Accordingly, HUD no longer has a need for funding in this account.

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
Rent Supplement	2,500	5,671	8,171	-	-	2,656	2,656	-
Rental Housing Assistance (Sec 236)	2,500	77,231	79,731	1,452	3,000	111,994	114,994	-
Rental Assistance Demonstration (Transfer)	[(4,250)]	[(4,612)]	[(8,862)]	-	-	-	-	-
Total	5,000	82,902^a	87,902	1,452	3,000	114,650^b	117,650	-

a/ Amount includes \$73 million of Section 236 Rental Housing Assistance Payments (RAP) and Section 235 combined carryover and \$19 million in combined recoveries. It also includes \$5 million transferred to Project-Based Rental Assistance (PBRA) for subsidy payments for units converting under the Rental Assistance Demonstration (RAD) program.

b/ Amount includes \$86.4 million in RAP and Section 235 combined carryover and \$28.2 million in estimated recoveries.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language

The 2021 President's Budget has the following changes to appropriations language from the 2020 enacted bill:

- **Using Unobligated Balances for Section 202 Capital Advance:** There is no use for the remaining balances left in this account after 2020. HUD requests authority to use unobligated balances in the Rental Housing Assistance Program account for new Section 202 Capital Advance projects or for service coordinators for elderly residents.

APPROPRIATIONS 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.

[For amendments to contracts under section 236(0)(2) of the National Housing Act (12 U.S.C. 1715z-1) in State-aided, noninsured rental housing projects, \$3,000,000, to remain available until expended: *Provided*, That such amount, together with unobligated] *Unobligated* balances from recaptured amounts appropriated prior to fiscal year 2006 from terminated contracts under [such section of law] *section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1)*, and any unobligated balances, including recaptures and carryover, remaining from funds appropriated under this heading after fiscal year 2005, shall also be available for extensions of up to one year for expiring contracts under such section[of law]: *Provided*, *That the Secretary may transfer funds remaining from amounts appropriated under this heading in the prior fiscal year to the "Housing for the Elderly" to be used for capital advance contracts for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects. (Department of Housing and Urban Development Appropriations Act, 2020.)*