

**PUBLIC AND INDIAN HOUSING  
HOUSING CERTIFICATE FUND  
2019 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>
2017 Appropriation .....	...	\$253,750	...	\$253,750 <sup>a</sup>	\$64,663	\$212,996
2018 Annualized CR .....	...	205,087	...	205,087 <sup>b</sup>	195,087	162,000
2019 Request .....	<u>...</u>	<u>10,000</u>	<u>...</u>	<u>10,000<sup>c</sup></u>	<u>...</u>	<u>120,000</u>
Change from 2018 .....	...	-195,087	...	-195,087	-195,087	-42,000

- a/ Resources include carryover of \$219.9 million, and recaptures of \$33.8 million realized in fiscal year 2017.
- b/ Resources shown assume \$189 million in carryover, after adding \$46 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2018, subtracting \$30 million from sources 1974 and prior that are withdrawn, and reflecting \$30 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.
- c/ Resources shown assume \$10 million in carryover, after adding \$10 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2019, subtracting \$10 million from sources 1974 and prior that are withdrawn, and reflecting \$10 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

**1. Program Purpose and Fiscal Year 2019 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 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) 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.

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- Any undisbursed funds remaining on contracts at termination are recaptured and are either cancelled or re-appropriated (dependent on the source year). Eligible uses of recaptures include PBRA renewals, amendments, and administrative fees for multifamily housing programs. In 2019, HCF recaptures are expected to provide a source of supplemental funding for performance-based contract administrators (PBCAs) or contractors, whose function is detailed in the Project-Based Rental Assistance account.

### **2. Request**

No additional budget authority is requested for this account. Continuing 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. HUD anticipates recaptures of \$10 million for fiscal year 2019. These recaptures, along with funds remaining from prior year HCF recoveries, are anticipated to support PBCA contracts, contractors 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.

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HOUSING CERTIFICATE FUND  
Summary of Resources by Program  
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2017 Budget Authority</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2017 Obligations</u>	<u>2018 Annualized CR</u>	<u>2017 Carryover Into 2018</u>	<u>2018 Total Resources</u>	<u>2019 Request</u>
Contract Renewals .....	...	\$86,684	\$86,684	...	...	...	...	...
Contract Administrators Section 8 Amendments .	...	167,066	167,066	\$64,663	...	\$205,087	\$205,087	...
Administrative Fees ...	...	...	...	...	...	...	...	...
Total .....	...	253,750	253,750	64,663	...	205,087	205,087	...

NOTES:

For fiscal year 2017, Resources include carryover of \$219.9 million, and recaptures of \$33.8 million realized in fiscal year 2017.

For fiscal year 2018, Resources shown assume \$189 million in carryover, after adding \$46 million in anticipated recoveries, subtracting \$30 million that will be cancelled from sources 1974 and prior that are withdrawn, and reflecting \$30 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

For fiscal year 2019, Resources assume \$10 million in carryover, after adding \$10 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2019, subtracting \$10 million from sources 1974 and prior that are withdrawn, and reflecting \$10 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

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HOUSING CERTIFICATE FUND  
Appropriations Language**

The fiscal year 2019 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 2019 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators and contractors, 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 2018 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 Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.*