

**PUBLIC AND INDIAN HOUSING
PUBLIC HOUSING CAPITAL FUND
2017 Summary Statement and Initiatives
(Dollars in Thousands)**

PUBLIC HOUSING CAPITAL FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2015 Appropriation	\$1,875,000	\$92,056 ^a	...	\$1,967,056	\$1,870,212	\$1,928,114
2016 Appropriation	1,900,000	75,639 ^b	...	1,975,639	1,900,000	1,252,000
2017 Request	<u>1,865,000</u>	<u>78,000</u>	...	<u>1,943,000^c</u>	<u>1,865,000</u>	<u>1,941,000</u>
Program Improvements/Offsets	-35,000	+2,361	...	-32,639	-35,000	+689,000

- a/ Figure is net of \$15.7 million transferred from the Public Housing Capital Fund for subsidy payments for units converting under the Rental Assistance Demonstration (RAD), and includes \$7 million in recaptures realized in fiscal year 2015.
- b/ Figure is net of an estimated \$18 million that will be transferred for implementation of RAD, and excludes \$1.8 million from the Department of Justice for the Juvenile Reentry Legal Assistance Program.
- c/ Includes \$9 million in Budget Authority that is estimated to transfer to the Research and Technology (R&T) account, and an estimated \$67 million that will be transferred for implementation of RAD.

1. What is this request?

The Department requests \$1.865 billion for the Public Housing Capital Fund, which is a decrease of \$35 million from the fiscal year 2016 enacted.

This request would provide:

- \$1.794 billion in formula-based Capital Modernization grants to 3,100 independent public housing authorities (PHAs) nationwide – enough to subsidize about 53 percent of needs estimated to accrue during the fiscal year;
- Up to \$20 million for the Emergency and Disaster Reserve;
- \$35 million for the Jobs-Plus Initiative;
- \$5 million for the ConnectHome initiative;
- Up to \$1 million for Administrative and Judicial Receiverships; and
- Up to \$10 million to support Financial and Physical Assessments at the PHA and project level.

Short-term improvement in severe rental problems as depicted in HUD's *Worst Case Housing Needs: 2015 Report to Congress* belies long-term trends in worst-case housing needs, which have grown by nearly 50 percent since 2003. Meanwhile, a growing capital

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needs backlog – estimated at \$26 billion as of 2010 and increasing by an average of \$3.4 billion each year – continues to imperil the future of public housing. Given the persistent gulf separating annual capital needs from appropriations received and the fact that the Department bases request in part on past funding, the Public Housing Capital Fund request for fiscal year 2017 should not be interpreted as a statement of reduced need. Rather, it is an estimate of minimum funding required to avoid cutting the number of residents served while limiting acceleration in the ongoing deterioration of America’s public housing stock.

2. What is this program?

The Public Housing Capital Fund is the principal source of federal funds to preserve public housing and promote opportunity for the nearly 2.6 million residents for whom it provides a safe, decent, affordable place to call home. Of the 1.1 million households who depend on federal public housing to pick up where the private housing market has failed, more than half have fixed-income seniors or people with disabilities as heads of household.

The Capital Fund awards formula-driven grants to more than 3,100 public housing authorities (PHAs). These independent agencies, which administer the actual housing developments, use these funds to protect long-term viability of public housing by financing investments and expenditures that fall outside the scope of routine operation, management and maintenance. The following set-asides, listed alongside examples of eligible expenses, comprise the Capital Fund:

- Capital Fund Modernization grants, which fund rehabilitation and development efforts for public housing and constitute the vast majority of Capital Fund;
- Emergency Disaster Reserve, which resolves capital needs arising from unforeseen emergency situations or non-Presidentially declared natural disasters;
- Jobs-Plus Initiative, which uses evidence-based strategies to promote resident self-sufficiency and employment and increase resident earnings;
- ConnectHome Initiative, which supports narrowing the digital divide for students and families by providing competitive grants to increase broadband access and adoption;
- Administrative and Judicial Receiverships, which allow the Department to aid recovery efforts among troubled PHAs; and
- Financial and Physical Needs Assessments, which facilitate financial and physical evaluations of rental housing assistance programs.

3. Why is this program necessary and what will we get for the funds?

HUD's *Worst Case Housing Needs: 2015 Report to Congress* reveals that among very low-income renter households that lacked assistance in 2013, 7.7 million had worst case needs resulting from severe rent burden (paying more than one-half of their monthly income for rent) or living in severely inadequate housing units. From 2003-2013, worst case needs increased by 49 percent as public sector housing assistance and private-sector housing development have substantially failed to keep up with the growing demand for affordable rental housing.

The gap in supply of affordable rental units relative to need has been growing for decades; worst case needs are common in every region and metropolitan category across the United States. Nationwide 41.7 percent of very low-income renters had worst case housing needs in 2013. Only 65 affordable units are available per 100 very low-income renters. Availability is restricted because higher income renters occupy 40 percent of the stock affordable for renters with incomes of 0 to 30 percent of median, and 38 percent of stock affordable of 30 to 50 percent of median income. Available rental stock, even at higher rent levels, is being absorbed rapidly, reducing the overall rental vacancy rate from 10.9 percent in 2009 to 9.8 percent in 2011 and 4.8 percent in 2013 (*Worst Case Housing Needs: 2015 Report to Congress*). Increased demand and static or shrinking supply have resulted in unprecedented wait times for housing assistance; as a result, many communities have closed their waitlists.

The Capital Fund remains essential to achieving this Administration's goals related to improving the quality of public housing, increasing occupancy in public housing, decreasing energy costs, and leveraging federal resources. Between the long-term crises in affordable housing and the massive capital needs backlog already outlined above, the Department's request for full funding is essential for:

- 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 to bring them into a condition that is safe, decent, and sustainable. Despite the addition of replacement public housing units, there has been a net loss of over 139,000 public housing units since fiscal year 2000, representing an average loss of approximately 8,700 units annually. This request empowers PHAs to meet as many of their capital needs as possible in fiscal year 2017, given constraints in the current fiscal environment, while HUD continues to pursue long-term solutions to address properties' capital needs, such as through RAD and Choice Neighborhoods.
- Increasing occupancy in public housing. HUD's goal is to maintain occupancy of public housing units at 96 percent of available inventory, or increase this percentage. HUD is focused on the challenge of preserving the availability of quality affordable rental housing in order to provide a stable platform for low-wage families to improve their lives, preventing homelessness and reducing worst-case housing needs. In fiscal year 2015, 1,430 additional public housing units were developed, in part through funds provided under the Capital Fund program. The fiscal year 2017 request is expected to

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enable HUD to continue providing housing resources for the additional families to whom access had been expanded in earlier years.

- Decreasing energy costs. As part of the Administration's climate plan, the Department is committed to expanding energy-efficient housing options. HUD's goal is to complete cost-effective energy efficient and healthy retrofits of 79,490 HUD-supported affordable homes in fiscal year 2016 and 80,500 in fiscal year 2017, for a combined 2-year target of 160,000 retrofits. In fiscal year 2015, the Capital Fund contributed to achieving this goal by enabling PHAs to make more than 8,671 units and unit equivalents more energy efficient, and build an additional 146 energy efficient units.
- Leveraging federal resources. Given the current federal fiscal environment, PHAs cannot meet needs by using only federal funds and must leverage outside investment. One of the programs created to achieve this purpose is the Capital Fund Financing Program (CFFP). HUD has approved approximately 192 transactions involving 247 PHAs through the CFFP. The total amount of loan and bond financing approved to date is approximately \$4.5 billion. The CFFP has evolved such that PHAs are further leveraging their Capital Fund dollars by utilizing the CFFP to obtain Low-Income Housing Tax Credits. Approximately \$2.5 billion worth of tax credits have been leveraged using CFFP funds.

The Capital Fund program is the only source of federal funding dedicated to addressing the rehabilitation and development needs of the public housing inventory. These funds contribute to the preservation of this public asset and the continued availability of housing to some of the nation's most economically vulnerable populations.

In addition to funding for the formula-based grants, the fiscal year 2017 request includes up to \$71 million to fund the Emergency and Natural Disaster Reserve, Jobs-Plus Initiative, ConnectHome Initiative, Financial and Physical Assessment Support, and Administrative and Judicial Receiverships.

- Emergency and Natural Disaster Reserve. The Department requests up to \$20 million be set aside in a reserve for grants to PHAs for capital needs arising from emergency situations or non-Presidentially declared natural disasters. PHAs that suffer damage because of Presidentialy 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 from this set-aside include plumbing replacement, sewer line replacement, foundation stabilization, HVAC replacement, fire alarm replacement, flood abatement and mold removal and repairs, boiler pipe replacement, and emergency window replacement. Additionally, this set-aside supports PHAs in addressing safety and security threats that pose a risk to the health and safety of residents.
- Jobs-Plus Initiative. The Department requests \$35 million to support the Jobs-Plus Initiative, an evidence-based strategy for increasing the employment opportunities and earnings of public housing residents through a three-pronged program of employment services, rent-based work incentives, and community support for work.

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The innovative aspect of the approach is the addition of financial rent incentives and community support for work in comparison to traditional employment-related services. An MDRC evaluation revealed that in the three demonstration developments able to adopt the full program, residents did better—earning an average of \$1,141 more per year than residents in the comparison developments (a difference of 14 percent during the program period). Residents in developments that received the full treatment kept earning more even after the program ended (an average of \$1,517 a year more, or 19 percent), suggesting that Jobs-Plus can help set housing developments on a different long-term financial trajectory (the combined difference over the two periods was 16 percent). “Among programs that target all work-eligible public housing residents, Jobs-Plus is the only one with rigorous evidence showing sustained positive results.” (<http://www.mdrc.org/publication/jobs-plus-evidence-based-program-public-housing-residents-expands>)

At current grant size (4-year grants at a maximum of \$3 million each), \$35 million would allow for 11-12 additional grants to PHAs, serving about 8,750 individuals.

HUD renews its fiscal year 2016 proposal to allow tribes and tribally designated housing entities (TDHEs) to administer a Jobs-Plus pilot program funded from the Jobs-Plus appropriation. Details of this proposal are discussed under Section 5, “Proposals in the Budget.”

- ConnectHome. The Department requests \$5 million to support its goal of narrowing the digital divide for students and their families living in HUD-assisted housing. While ConnectHome is a Departmental priority, there is currently no funding for this program. The requested funding will be used to award competitive grants that increase broadband access and adoption, such as grants to hire and train program coordinators and to expand the program to a limited number of additional sites. The coordinators could serve as the primary link between the PHA/TDHE, Internet Service Provider (ISP), and federal, state, and local partners. Without funding, sites will not have a dedicated staff person and will likely have to rely on staff that already have multiple other responsibilities that do not allow them to adequately facilitate the success of ConnectHome.
- Administrative and Judicial Receiverships. The Department requests \$1 million to support the costs of administrative and judicial receiverships. Balances are low, and there was no request for funding in 2016. The remaining carryover balance may not be sufficient to support the costs of future administrative and judicial receiverships in fiscal year 2017. These funds will allow the Department to provide technical assistance that will assist recovering PHAs. The Department’s efforts in this area are discussed in further detail in the next section.
- Financial and Physical Assessment Support. The Department requests \$10 million to support financial and physical assessment support for rental housing assistance programs. These activities are primarily performed by the Real Estate Assessment Center (REAC), which provides the Offices of Housing and Public and Indian Housing with timely and

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accurate assessments of HUD's assisted real estate portfolio using physical and financial assessments. These support efforts and funds are also discussed in further detail in the next section.

4. How do we know this program works?

The most recent Capital Needs Assessment (CNA), completed in 2010, estimated the backlog of unmet public housing capital need at approximately \$26 billion. According to the 2010 CNA, the backlog need has not increased significantly since the 1998 CNA. This is attributable, in part, to the shrinking size of the public housing inventory and, in part, to expenditures from Capital Fund grants to meet needs at properties. The projected annual accrual of needs across the inventory is estimated to be at least \$3.4 billion per year on average over the next 20 years.

The following are examples of how we know that the Public Housing Capital Fund program is working:

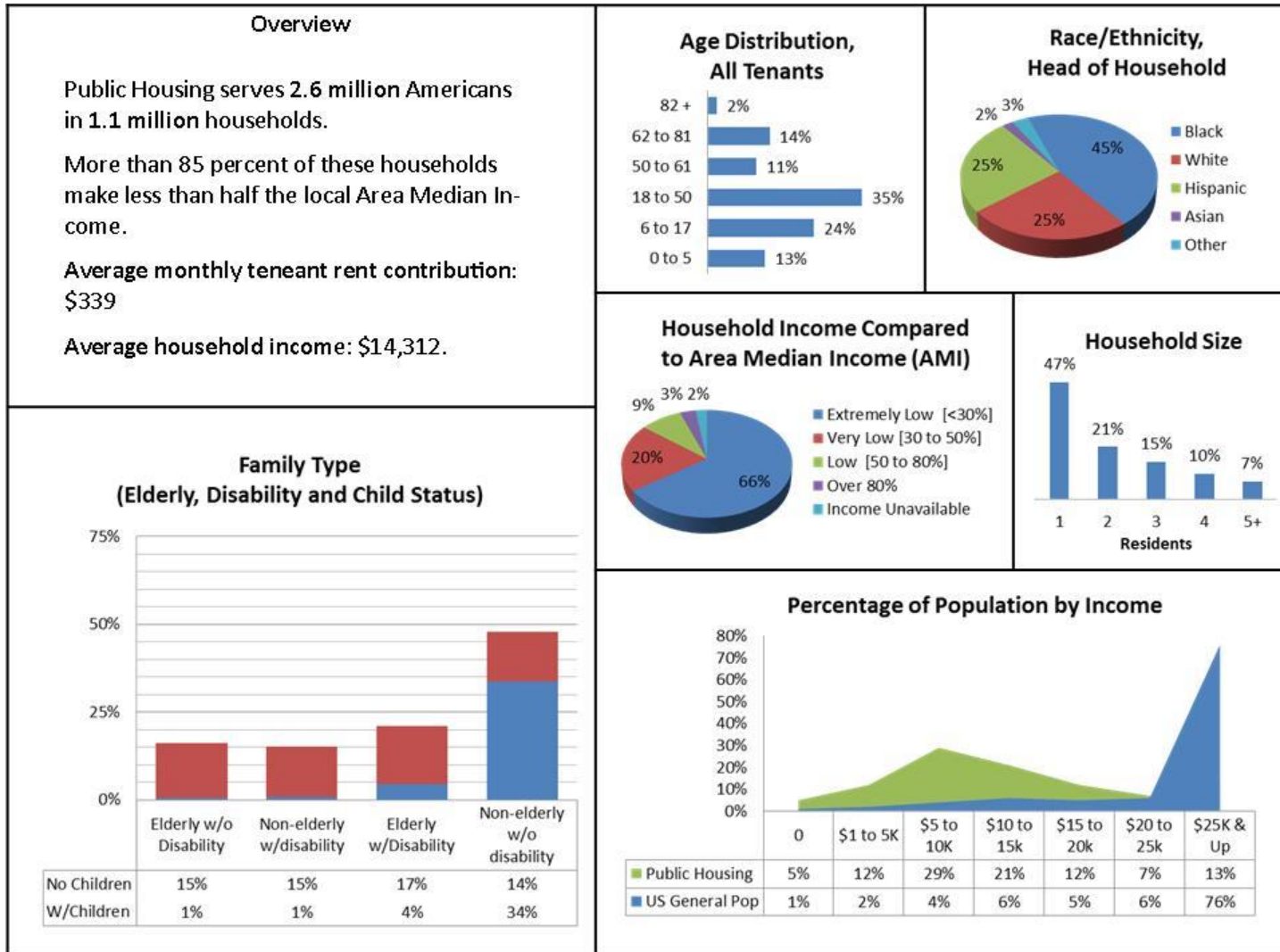
- The Capital Fund Helps Protect the Value of the Existing Public Housing Stock. Public housing constitutes an economic and social asset that cannot be created or sustained by the private market. Replacing this inventory would be cost prohibitive. The Capital Fund preserves as many of these units as possible to mitigate the heightened costs of future replacement. It is essential to protecting the economic value of the nation's public housing inventory and to serving some of the most economically vulnerable families.
- Capital Fund Expenditures Contribute Significantly to Local Economies. Direct spending by PHAs on capital improvements, construction, maintenance, and operations totals approximately \$6.5 billion per year. This direct spending generates significant indirect economic activity in these communities.
- The Capital Fund Helps PHAs Leverage Resources. As discussed earlier, the CFFP has been used to leverage more than \$4.5 billion of funding in 192 transactions. Additionally, Capital Funds have also been used to leverage other sources of funds to create public housing units. In fiscal years 2008 through 2015, \$2.06 billion in Capital Funds were invested in mixed-finance transactions to leverage \$7.3 billion in private and other public funding sources. A total of 151 PHAs closed 425 mixed-finance transactions during this 8-year period.
- The Capital Fund Develops and Builds Energy Efficient, Sustainable, and Accessible Communities. The Capital Fund enables PHAs to not only preserve and rehabilitate public housing units, but also to build energy- and cost-efficient public housing and to develop sustainable communities. Implementation of the green Physical Needs Assessment (PNA) in public housing is identified in HUD's Strategic Plan and is underway with voluntary submissions.

Local PHA Snapshot: The Capital Fund at Work

Allen Wilson Terrace was a 200-unit public housing development originally built and occupied in 1941 on 7.68 acres in downtown Decatur, Georgia. Due to the serious deficiencies in the original 1941 design, obsolescence of the utility systems and other factors, the Housing Authority of the City of Decatur, Georgia (DHA) determined that something needed to be done. Despite its worsening physical condition, Allen Wilson Terrace enjoyed an exceptional location near downtown Decatur, with immediate access to public transportation and proximity to shopping, restaurants and churches, as well as parks, recreation and cultural facilities. The site was within two (2) blocks of Decatur's thriving downtown government, business, and retail district, which includes the Decatur MARTA Rail Station. Extensive employment opportunities exist within a two-mile radius of the site.

After extensive public consultation with the residents of Allen Wilson and the community, DHA undertook a revitalization effort leveraging, in part, Capital Funds. The master plan called for the demolition of all existing structures and the construction of 191 mixed-finance rental units, of which 100 percent would be Low Income Housing Tax Credit/Public Housing, on 4.837 acres of the existing site in a three-phase affordable housing revitalization effort. A fourth phase would be developed on the remaining 2.88 acres along West Trinity Place to include market rate ownership or rental units with a smaller affordable component. DHA successfully completed the \$28.3 million revitalization effort that met these goals: 1) Retain 191 affordable housing units, 2) Make the redevelopment seamless and reduce the disruption to the residents, 3) Provide housing for DHA's growing senior population, and 4) Develop the community with energy efficiency, including EarthCraft Multifamily and EarthCraft Communities designations.

Public Housing Tenant Characteristics: A Picture of Who the Capital Fund Ultimately Serves



Financial and Physical Assessments

The Department requests \$10 million to support financial and physical assessments for rental housing assistance programs. Assessments are critical to ensuring and evaluating the Capital Fund’s effectiveness. These are primarily performed by the Real Estate Assessment Center (REAC), which provides the Offices of Housing and Public and Indian Housing with timely and accurate reports of HUD’s assisted real estate portfolio using physical and financial assessments. The table below, which includes the fiscal year 2017 request, represents the Department’s active plan for Financial and Physical Assessment Support for Rental Housing Assistance programs.

REAC Financial and Physical Assessment Obligations and Activities by Fiscal Year		
	FY 2016	FY 2017 (estimated)
Projected BA carryover into FY	\$8,721,962	...
Projected new BA in FY	\$3,000,000	\$10,000,000
Total funds available for FY (Carryover + new BA)	\$11,721,962	\$10,000,000

- **Financial Assessment:** The REAC Financial Assessment Subsystem for Public Housing (FASS-PH) assesses the financial condition of approximately 3,100 PHAs that receive HUD funds to manage and operate public housing units. In addition to assessing PHAs’ financial health, FASS-PH conducts various analyses to aid in improving PHAs’ financial outlook by identifying, addressing and mitigating risks. FASS-PH also receives comments from agencies’ independent financial auditors. FASS-PH enables the Offices of Housing and PIH managers and decision-makers to determine where their customer support, assistance, and recovery assets are most needed. FASS-PH’s independent calculations of project and PHA financial scores from approved submissions show 99 percent of system-generated FASS-PH scores are accurate.

Out of the 5,768 Low Rent submissions approved in fiscal year 2015, 5,765 submissions had no discrepancies or anomalies,¹ as shown below:

¹ There are 3,100 PHAs that manage approximately 8,200 projects. Of the projects that were scored, three scoring anomalies were detected during the routine quality assurance process. The three scoring anomalies were related to projects that did not have any balance sheet activity such as no assets, liabilities or equity.

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Description	Count	Percent
Number of Low Rent submissions	5,768	100.00%
Scores computed correctly	5,765	99.95%
Scores with discrepancies	3	0.05%

- Physical Assessment:** REAC’s Physical Assessment Subsystem (PASS) manages the physical assessment protocols required to evaluate the overall physical condition of approximately 7,200 Public Housing and 30,000 Multifamily Housing properties that receive rental assistance or are insured by the Federal Housing Administration mortgage insurance program. Inspections are conducted periodically by Reverse Auction sourced inspectors using a risk-based approach, with the lowest scored properties being inspected annually. PASS completes 90 percent of target inspection production by inspection type (MF Non-Insured, MF Servicing Mortgagee and Public Housing).

REAC has introduced several tools and processes to improve the inspection procedure and outputs. The White House Physical Inspection Alignment project created more inspection uniformity, reduced costs, and limited duplicative physical inspections performed by different government entities. The Physical Inspection Alignment Initiative has grown significantly since its inception in 2011 with 6 state Housing Finance Agency (HFA) partners. In 2015, the Alignment Initiative had 31 state HFA partners and is projected to grow to 32 partners in 2016. These HFA partners work in conjunction with the Real Estate Assessment Center to develop a list of properties with multiple funding streams. From there each duplicative inspection eliminated through the Alignment Initiative saves up to \$2,000 per inspection including administrative costs, reducing administrative and financial burdens, but also preventing residents from having multiple inspections of their home in a single year. Photo capability has put REAC’s inspection program on par with commercial industry standards and is providing validation of the inspection results and clear evidence of housing deficiencies.

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The following table offers a breakdown of REAC physical inspections for fiscal year 2015:

Inspection Production - FY15										
Inspection Type	Q1		Q2		Q3		Q4		FY'15 TOTAL	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
PH	521	954	1005	1603	883	1349	996	740	3405	4646
MFH SM	1364	1264	783	602	852	1387	718	1209	3717	4462
MFH	3176	2933	1217	624	2175	1113	2037	2993	8605	7663
Total	5061	5151	3005	2829	3910	3849	3751	4942	15727	16771
Difference		90		-176		-622		1191		1044

The target number of inspections was exceeded by 1044

- Program Support: REAC also verifies the accuracy of reported resident income via the Enterprise Income Verification system to ensure that housing subsidies are paid accurately by managing a series of computer income matching procedures on residents living in HUD housing with the Social Security Administration and the Department of Health and Human Services.

PHA Interventions and Receiverships

The Department enters into an administrative receivership when a PHA has systemic, long-standing, and severe issues that require extraordinary levels of expertise and resources to recover performance and improve the quality of life for PHA residents. There are also receivership cases where the PHA is in substantial default of the statute or the Annual Contributions Contract and HUD must take over. Where local governance and accountability fails, and PIH identifies issues that have or will affect PHA performance based on PIH’s risk assessments, some PHAs warrant receivership.

PIH continues to refine its national risk assessment tool and risk mitigation strategy to facilitate the early detection of problems, target intervention and improve oversight at both the entity and property level of PHAs. The National Risk Assessment tool combines data points from existing HUD systems with a qualitative staff survey completed by public housing field staff to determine the level of risk at a PHA. Preemptive measures, however, will not necessarily prevent receiverships from occurring.

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In fiscal year 2015, HUD transitioned one PHA out of administrative receivership and back to local governance: the Detroit Housing Commission (DHC). This transition followed capacity building and technical assistance with an emphasis on governance, financial management, and asset redevelopment. The judicial receivership of the Chester Housing Authority also ended in fiscal year 2015. The Lafayette Housing Authority, East St. Louis Housing Authority, and Wellston Housing Authority are all expected to transition to local control by the end of calendar year 2016, and the Gary Housing Authority is expected to follow suit by the end of calendar year 2017.

5. Proposals in the Budget

- Provide Additional Operating/Capital Fund Flexibility. The 2016 Budget proposed to allow PHAs with more than 250 units the flexibility to transfer up to 30 percent of Capital Funds to Operations; allow Operating Reserve Funds to be used not only for operating purposes, but also for capital improvements; and establish a Capital Fund Replacement Reserve to be held by Treasury in LOCCS. The Department is proposing the same for fiscal year 2017.

Larger PHAs are restricted to using funds from Capital Fund and Operating Fund grants for the prescribed eligible uses of §§ 9(d) and (e), respectively, of the 1937 Act irrespective of the nature of an individual PHA's needs, except that they may use up to 20 percent of their annual capital grants for eligible Operating Fund expenses.

Specifically, the 1937 Act limits the use of Operating Funds for capital improvements to only paying debt service rather than for direct expenditure on the capital improvements, even when available Operating Funds are sufficient to meet the need. As a result, PHAs must pay financing charges to use existing funds for rehabilitation and development of the housing stock. Typically, these transactions are fully collateralized with on-hand operating reserves, meaning the PHA is effectively paying the financing fees and incurring a liability to access their HUD funds. With a \$26 billion backlog in capital needs, PHAs need greater flexibility to address as much need as possible with the limited resources available.

This proposal would not increase HUD or PHA expenditures, but shift funding. Based on the fiscal year 2015 allocation of funds, this would impact 798 PHAs. Using the fiscal year 2017 request for funding, approximately \$154 million could be transferred from the Capital Funds of these PHAs to their Operating Funds and Operating Fund reserves.

Also, PHAs would be allowed to establish a capital reserve account. A Capital Fund Replacement Reserve account would allow PHAs to accumulate funds for large-scale capital expenditures identified in their Physical Needs Assessments. The reserve account would be held by the Treasury and managed in LOCCS.

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Replacement reserve accounts are routinely used in the private sector and are required for multifamily properties insured by the Federal Housing Administration. These accounts improve the ability of PHAs, especially small PHAs, to address their backlog of capital needs by allowing PHAs to accumulate sufficient funding across several years to engage in large capital projects without need of financing.

Establishing a replacement reserve account would be a voluntary option for PHAs. HUD has discussed this proposal with the industry, which supports this concept in theory. It is unknown what percentage of PHAs would opt to use these accounts.

To facilitate this proposal, HUD is recommending eliminating the current 2-year obligation and 4-year expenditure requirements for Capital Funds placed in replacement reserve accounts. Instead, HUD would specify a new timeframe for expenditure of those funds, and would also establish a limit to the amount a PHA could maintain in its replacement reserve accounts. PHAs would identify the proposed use of the funds. (Sec. 224)

- Initiate Jobs-Plus Pilot for Indian Country. HUD re-proposes to allow tribes and tribally designated housing entities (TDHEs) to administer a Jobs-Plus pilot program funded from the Jobs-Plus appropriation. This pilot program would receive up to \$5 million of the overall Jobs-Plus appropriation, would be informed by the MDRC Jobs-Plus demonstration, and would incorporate lessons learned from the Jobs-Plus program grants. The core components of the program would remain the same – a rent incentive that encourages work, job promotion and training activities for tribal members and clients of TDHEs, and community support for work that involves saturation of the community with positive work messages. The pilot would be tailored to account for the specific needs of Indian Country. (account language)

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

<u>Budget Activity</u>	<u>2015 Budget Authority</u>	<u>2014 Carryover Into 2015</u>	<u>2015 Total Resources</u>	<u>2015 Obligations</u>	<u>2016 Budget Authority</u>	<u>2015 Carryover Into 2016</u>	<u>2016 Total Resources</u>	<u>2017 Request</u>
Formula Grants	\$1,784,270	\$14,173	\$1,798,443	\$1,776,382	\$1,824,500	\$10,481	\$1,834,981	\$1,727,259
Emergency/Disaster Reserve	16,693	5,720	22,413	12,148	16,500	8,642	25,142	20,000
Resident Opportunities and Supportive Services	45,000	46,311	91,311	44,682	35,000	46,366	81,366	...
Administrative Receivership	3,000	6,415	9,415	1,003	1,000	4,149	5,149	1,000
Financial and Physical Assessment Support ...	5,000	19,004	24,004	14,909	3,000	8,722	11,722	10,000
Jobs-Plus	15,000	15,000	30,000	15,000	15,000	15,000	30,000	35,000
Safety and Security ...	6,037	...	6,037	6,037	5,000	...	5,000	...
Technical Assistance ..	...	1,105	1,105	51	...	1,279	1,279	...
ConnectHome .....	...	...	...	...	...	...	...	5,000
Rental Assistance Demonstration (transfer) .....	...	-15,672	-15,672	...	...	-19,000	-19,000	66,741
Research and Technology (transfer) .....	...	...	...	...	...	...	...	[9,000]
Total	1,875,000	92,056	1,967,056	1,870,212	1,900,000	75,639	1,975,639	1,865,000

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

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (the "Act") [~~\$1,900,000,000~~] *\$1,865,000,000*, to remain available until September 30, [~~2019~~] *2020*: *Provided*, That notwithstanding any other provision of law or regulation, during fiscal year [~~2016~~] *2017*, 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) 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 up to [~~\$3,000,000~~] *\$10,000,000* shall be to support ongoing Public Housing Financial and Physical Assessment activities: *Provided further*, That up to \$1,000,000 shall be to support the costs of administrative and judicial receiverships: *Provided further*, That of the total amount provided under this heading, not to exceed [~~\$21,500,000~~] *\$20,000,000* shall be available for the Secretary to make grants, notwithstanding section 204 of this Act, 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 [~~2016~~: *Provided further*, That of the amount made available under the previous proviso, not less than \$5,000,000 shall be for safety and security measures: *Provided further*, That of the total amount provided under this heading \$35,000,000 shall be for supportive services, service coordinator and congregate services as authorized by section 34 of the Act (42 U.S.C. 1437z-6) and the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.)] *2017*: *Provided further*, That of the total amount made available under this heading, [~~\$15,000,000~~] *\$35,000,000* shall be for a Jobs-Plus initiative modeled after the Jobs-Plus demonstration: *Provided further*, That the funding provided under the previous proviso shall provide competitive grants to partnerships between public housing authorities, local workforce investment boards established under section 117 of the Workforce Investment Act of 1998, and other agencies and organizations that provide support to help public housing residents obtain employment and increase earnings: *Provided further*, That applicants must demonstrate the ability to provide services to residents, partner with workforce investment boards, and leverage service dollars: *Provided further*, That the Secretary may allow public housing agencies to request exemptions from rent and income limitation requirements under sections 3 and 6 of the United States Housing Act of 1937 as necessary to

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implement the Jobs-Plus program, on such terms and conditions as the Secretary may approve upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective implementation of the Jobs-Plus initiative as a voluntary program for residents: *Provided further*, That the Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to the preceding proviso no later than 10 days before the effective date of such notice: [*Provided further*, That for funds provided under this heading, 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 previous 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 previous proviso if the request is approved or denied within 14 days of submitting the request:] *Provided further, That of the amount provided for the Jobs-Plus initiative, the Secretary may set aside up to \$5,000,000 for competitive grants to Indian tribes and tribally designated housing entities, as defined in section 4(13) of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), to provide support to help residents of housing assisted under NAHASDA obtain employment and increase earnings: Provided further, That such assistance shall be modeled after the Jobs-Plus initiative, with necessary and appropriate adjustments made by the Secretary for NAHASDA grant recipients and families living on or near a reservation or other Indian areas: Provided further, That the Secretary may waive, or specify alternative requirements for, any provision of any statute that the Secretary administers in connection with the use of funds made available under this heading, upon a finding by the Secretary that any such waivers or alternate requirements are necessary for the effective use of grants under the previous proviso and after publication in the Federal Register not later than 10 days before the effective date of such waiver or alternative requirement: Provided further, That of the total amount made available under this heading, \$5,000,000 shall be for the ConnectHome broadband initiative: Provided further, That the funding provided under the previous proviso shall be for competitive grants that increase broadband access and adoption, such as grants to public housing agencies to hire coordinators to link residents with broadband and training services:* *Provided further*, That from the funds made available under this heading, the Secretary shall provide bonus awards in fiscal year [2016] 2017 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]. (*Department of Housing and Urban Development Appropriations Act, 2016.*)