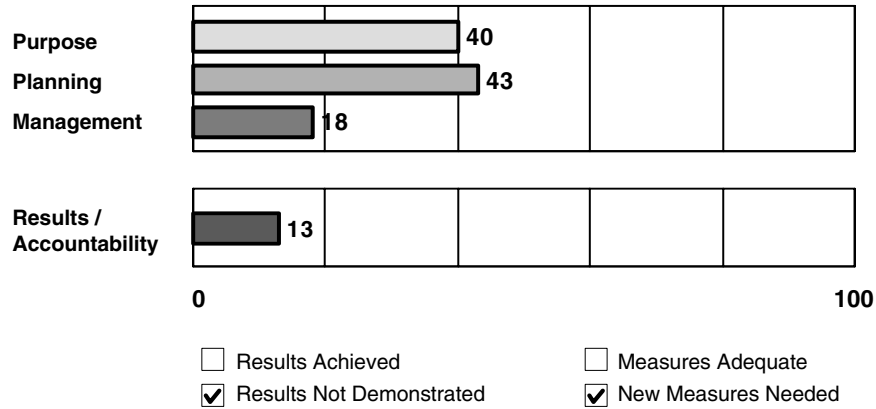


**Program: Housing for the Elderly**

**Agency:** Department of Housing and Urban Development

**Bureau:** Housing Programs



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of elderly households (in thousands) in the United States with worst-case housing needs These households are renters that do not receive Federal assistance but have incomes below 50 percent of the local median and pay more than half of their income on rent or live in poor quality housing.	1995		1,051
	1997		1,180
	1999		1,028
	2003	970	

**Rating: Results Not Demonstrated**

**Program Type:** Competitive Grants

**Program Summary:**

The Housing for the Elderly grants program (also known as "Section 202" program) provides construction grants and on-going operating subsidies for very low-income elderly persons. The grants go to nonprofit organizations who own and operate the housing. Grants to these organizations provide the money to finance the acquisition, construction, or rehabilitation of homes for poor elderly persons. Funds for operating the housing are provided when projects are occupied.

The analysis resulted in low performance scores due, largely, to unclear long-term outcome goals, insufficient performance measures, the small numbers of units produced relative to need, higher costs compared to alternative housing programs for this population, and long lead times to produce units for occupancy. Additional findings include:

1. Although most elderly households who eventually receive housing under the program are satisfied with their units, the program lacks evidence indicating the overall level of impact it is having on poor elderly individuals. HUD has been focused on inputs in funding and program management, including reducing the backlog of unexpended funds. Little attention has been given to long-term outcomes.
2. Over one million very low-income elderly households have severe housing needs, but the program provides fewer than 6,000 new housing units a year. While severe housing needs are one measure of housing outcomes, it is difficult to isolate the effect of this program on this measure as it is only one factor among many affecting the level of need.
3. Development delays and cost increases are common. Causes for delay include inexperience of non-profit sponsors in housing development and need for additional funding to complete projects.

In response to these findings, HUD will produce a plan to improve the program's performance within a year, which will include the development of meaningful performance measures. HUD will examine possible policy changes or reforms (statutory, administrative, regulatory) within the program's current design to strengthen performance.

**Program Funding Level (in millions of dollars)**

2002 Actual	2003 Estimate	2004 Estimate
783	773	773