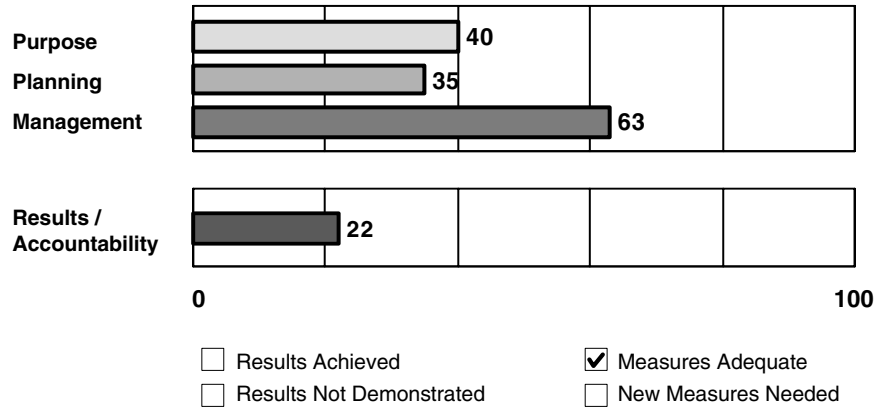


**Program: Project-Based Rental Assistance**

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

**Bureau:** Housing Programs



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Thousands of households with worst-case housing needs (households not receiving federal assistance with incomes below 50 percent of the local median, who pay more than half of their income on rent or live in poor quality housing)	1997		4,331
	1999		3,921
	2001	3,807	
	2003	3,730	
Annual Measure: Percent of units meeting physical standards	1999		77.3%
	2000		86.2%
	2001	86.5%	93.1%
	2003	97.6%	
Long-term Measure: Self-Sufficiency: Average earnings among non-elderly, non disabled households (Target under development)			

**Rating: Ineffective**

**Program Type:** Capital Assets

**Program Summary:**

Project-based rental assistance provides funding to landlords who rent a certain number of affordable apartments to low-income families or individuals. Assistance is tied directly to the properties; tenants can generally not move without losing their assistance.

This program receives low performance scores because it has a poor focus on program outcomes and produces poor results relative to alternative forms of housing assistance. The specific findings are:

1. There is confusion over the objectives of the program and incomplete performance targets. For example, while HUD has committed to increasing the self-sufficiency of assisted households, it has not set specific performance targets for the project-based program.
2. There is a lack of strong financial accountability. For example, there is poor control of rents paid to landlords.
3. While worst-case 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.
4. Assisted households lack the ability to move to better housing. Although the physical quality of project-based housing has improved significantly in recent years, those households in substandard properties are often trapped without the option of moving. Similar programs such as the Housing Vouchers Program don't have this problem.
5. The program costs more than other forms of rental assistance.

In light of this assessment HUD will make management improvements, including stepped-up enforcement against properties in poor condition. These actions will increase the number of units meeting acceptable physical quality standards. Performance measures for self-sufficiency will also be developed. No expansion of the program is proposed in 2004. Funding increases in 2004 only because more properties are renewing assistance contracts than in 2003; the total number of properties assisted does not increase.

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

2002 Actual	2003 Estimate	2004 Estimate
4,413	4,536	4,523