



Legislative Bulletin.....September 17, 2008

Contents:

H.R. 5772—Frank Melville Supportive Housing Investment Act of 2008

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 1

Total Cost of Discretionary Authorizations: \$105 million in FY 2009 and \$652 million over the FY 2009 through FY 2013 period

Effect on Revenue: \$0

Total Change in Mandatory Spending: \$0

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 0

Number of Bills Without Committee Reports: 0

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

**H.R. 5772—Frank Melville Supportive Housing Investment Act of 2008
(Murphy, D-CT)**

Order of Business: H.R. 5772 is scheduled to be considered under a suspension of the rules on Wednesday, September 17, 2008.

Summary: H.R. 5772 would authorize appropriations for the Department of Housing and Urban Development's (HUD) Capital Advance/Project Rental Assistance Contract program. In addition, the bill would alter and expand HUD's project-based rental assistance contracts and transfer the voucher program to the Section 8 Housing Choice Voucher program. The specific provisions of the bill follow below.

Tenant-based Rental Assistance through Certificate Fund: H.R. 5772 would transfer all current and future tenant-based vouchers for individuals with disabilities to the Section 8 Housing Choice Voucher program. The bill would stipulate that once turned over to the Section 8 Housing Choice Voucher program, these vouchers would only be used to serve individuals with disabilities. HUD would be required to establish guidance to ensure that the vouchers continue to serve disabled individuals.

In addition, the legislation would authorize the appropriation of “such sums as necessary” for FY 2009 to provide the same number of vouchers as FY 2008. According to CBO, funding for these vouchers would cost \$106 million.

Modernized Capital Advance Program: H.R. 5772 would authorize “such sums as necessary” to fund the Capital Advance/Project Rental Assistance Contract program through FY 2012. The program provides capital advance grants to non-profit sponsors that develop rental housing for individuals with disabilities. The advance grants do not need to be repaid if the housing serves very low income disabled individuals for at least 40 years. The program also provides rental assistance to project sponsors in order to cover the difference between the cost of operating the housing project and the actual amount of rent that low income disabled tenants pay. CBO estimates that, based on current HUD data, it would cost \$366 million to continue the program through FY 2012.

H.R. 5772 would require HUD to adjust the amount of annual capital advance and rental assistance contracts to provide for certain cost increases. The bill would also stipulate that none of the funds from this program may be used to replace other state or local funds designated for use to assist persons with disabilities. In addition, the legislation contains a number of tenant protections for disabled individuals living in a project that receives capital advance grants of project rental assistance.

Project Rental Assistance Competitive Demonstration Program: The legislation would create a new demonstration program known as the Rental Assistance Competitive Program. Under the demonstration program, HUD would provide subsidies to housing projects that serve disabled individuals and receive federal funds from other sources, such as the Low-Income Housing Tax Credit and the HOME Investment Partnerships Program. Low-income housing units that were developed through different federal and state programs would be eligible to receive subsidies from supportive housing program for serving disabled individuals. H.R. 5772 would make all new or existing multifamily housing projects that were developed with resources from public or private sources and receive subsidies through either state HFAs or by participating in the HOME Investment Partnerships Program, eligible for rental assistance. CBO estimates that this demonstration project would cost \$178 million over the FY 2009 through FY 2013 period, subject to authorization.

Additional Background: The Supportive Housing for Persons with Disabilities program was established by Section 811 of the Cranston-Gonzalez National Affordable Housing Act of 1990 and provides capital advances and project rental assistance to non-profit sponsors to develop housing for very low income individuals with disabilities. The program also provides rental vouchers directly to low income tenants with disabilities. According to HUD,

“the program allows persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services. The program also provides project rental assistance, which covers the difference between the HUD-approved operating costs of the project and the tenants’ contribution toward rent. The program is similar to Supportive Housing for the Elderly.” Section 811 is the only HUD program that specifically subsidizes permanent housing to serve people with disabilities.

Possible Conservative Concerns: Some conservatives may be concerned that H.R. 5772 would create a new demonstration program to subsidize housing projects that have already received financial assistance through low-income housing tax credits, the HOME Investment Partnership Act, or other federal, state, or local programs.

Committee Action: H.R. 5772 was introduced on April 10, 2008 and referred to the Committee on Financial Services. On July 30, 2008, the committee held a mark-up and reported the bill, as amended, by voice vote.

Cost to Taxpayers: According to CBO H.R. 5772 would cost \$105 million in FY 2009 and \$652 million over the FY 2009 through FY 2013 period, subject to appropriations.

Does the Bill Expand the Size and Scope of the Federal Government? Yes, the legislation would create a new demonstration program known as the Rental Assistance Competitive Program.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits? According to [House Report 110-845](#), “H.R. 5772 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.”

Constitutional Authority: [House Report 110-845](#), cites constitutional authority in Article 1, Section 8, Clause 1 (the general welfare clause) and clause 3 (the interstate commerce clause).

RSC Staff Contact: Andy Koenig; andy.koenig@mail.house.gov; 202-226-9717.
