

Breakfast program receive the severe need subsidy. Reimbursement payments for all meals are higher in Alaska and Hawaii.

Schools may charge no more than 30 cents for a reduced-price breakfast. USDA places no limit on the amount a school may charge for breakfasts served to students who pay the full meal price.

### Eligibility

Any child at a participating school may purchase a meal through the breakfast program. A child whose family meets income criteria may receive a free or reduced-price breakfast. The Federal Government then reimburses the schools for each meal served that meets program requirements.

Children from families with incomes at or below 130% of the poverty level (currently \$20,280 for a family of four) are eligible for free meals. Those between 130% and 185% of the poverty level (currently \$28,860 for a family of four) are eligible for reduced-price meals. Children from families over 185% of the poverty level pay a full price, though their meals are subsidized to some extent.

Public schools or nonprofit private schools of high school grade or under, and residential child care institutions are eligible to participate in the program. Participating schools and institutions must serve breakfasts that meet Federal nutritional standards, and must provide free and reduced-price breakfasts to eligible children.

### Financing and Administration

The School Breakfast Program is administered by the State education agencies and local school food authorities at the local level. At the Federal level, it is administered by USDA's Food and Consumer Service. For FY 1997, Congress appropriated \$1.198 billion for the School Breakfast program.

## Housing Assistance

The U.S. Department of Housing and Urban Development (HUD) gives grants to Public Housing Agencies (PHAs, including Indian Housing Authorities (IHAs)) to finance the capital cost of the construction, rehabilitation, or acquisition of public housing developed by PHAs to provide decent shelter for low-income residents at rents they can afford. The first low-rent public housing projects in the United States were constructed as the result of the vast public works program set in motion in 1933 by the National Industrial Recovery Act. The Housing Act of 1937 marked the earliest of the Federal housing programs designed to meet the direct concerns for the well-being of individuals. The housing acts of 1949 and 1954 created the massive urban renewal programs of

the 1950's, and Section 8 programs provided hundreds of thousands of new public housing units for the poor.

In most communities, there are three kinds of housing assistance available:

- Public housing, which is low-income housing that is actually operated by the housing authority.
- Section 8 in which the housing authority gives the tenant a certificate or voucher that says the government will subsidize your rent payments and then you go find your own housing.
- Privately owned subsidized housing, where the government provides subsidies directly to the owner who then applies those subsidies to the rents he/she charges low-income tenants.

In rural communities, the Department of Agriculture provides rental assistance programs, home improvement and repair loans and grants, and self-help housing loans to low-income individuals and families.

### Public Housing

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered site single family houses to highrise apartments for elderly families. HUD administers Federal aid to local PHAs that manage and operate the housing program for low-income residents at rents they can afford.

Beginning in FY 1998, the Indian component of the Public and Indian Housing program will be removed and folded into the Native American Housing Block Grant program.

#### Benefits

In FY 1996, HUD distributed more than \$6.2 billion to approximately 3,350 PHAs and IHAs provided public housing and services to 1.4 million households.

#### Eligibility

Public housing is limited to low-income families and individuals. The PHA determines the individual's eligibility based on (1) annual gross income; (2) whether the applicant qualifies as elderly, a person with a disability, or as a family; and (3) U.S. citizenship or eligible immigration status.

PHAs use income limits developed by HUD. HUD sets the lower income limits at 80% and very low income limits at 50% of the median income for the county or metropolitan area in which the recipient chooses to live. Income limits vary from area to area so an individual may be eligible at one PHA but not at another.

*Determination of Rental Amount.*—Rent, which is referred to as the Total Tenant Payment (TTP) in the public housing program, is based on the family's gross annual income less deductions, if any.

HUD regulations allow PHAs to exclude from annual income the following allowances: \$480 for each dependent; \$400 for any elderly family, or a person with a disability; and some medical deductions for families headed by an elderly person or a person with disabilities. Based on the person's application, the PHA representative determines if any of the allowable deductions should be subtracted from annual income. Annual income is the anticipated total income from all sources received from the family head and spouse, and each additional member of the family aged 18 or older.

The formula used to determine the TTP is the highest of the following, rounded to the nearest dollar:

- (1) 30% of monthly adjusted income (monthly adjusted income is annual income less deductions allowed by the regulations);
- (2) 10% of monthly income;
- (3) welfare rent, if applicable; or
- (4) a \$25 minimum rent or higher amount (up to \$50) set by a PHA.

## Section 8 Programs

The Section 8 rental voucher and rental certificate programs are the Federal Government's major programs for assisting very low-income families, the elderly, and the disabled to rent decent, safe, and sanitary housing in the private market. Since the rental assistance is provided on behalf of the family or individual, participants are able to find and lease privately owned housing, including single-family homes, townhouses, and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

### Rental Vouchers and Rental Certificates

The Section 8 rental voucher and rental certificate programs place the choice of housing in the hands of the individual family. When a rental voucher or certificate holder finds a unit that the family wishes to occupy, the PHA inspects the dwelling and reviews the lease prior to executing a housing assistance contract with the owner.

The major difference is how the subsidy is calculated. Under the rental certificate program, the rent for the unit usually may not exceed a maximum rent, determined by the PHA, based on HUD standards established for each county and metropolitan area. Most rental certificate families must lease a unit in which the total rent including utilities does not exceed this maximum rent. The rental certificate holder generally pays 30% of its monthly adjusted income towards the rent and utilities.

In the rental voucher program, the PHA determines a payment standard for its jurisdiction. The payment standard is used to calculate the amount of assistance a family will receive, but it does

not affect the amount of rent a landlord may charge or the family may pay. A family who receives a rental voucher may selected a unit that rents above or below the payment standard. The family pays more than 30% of its monthly adjusted income for rent and utilities if the rent is greater than the payment standard. If the unit rent is less than the payment standard, the family will pay less than 30% of its monthly adjusted income. The advantage of the rental voucher is that the family generally has a greater choice of housing opportunities. The disadvantage is that most families under the voucher program pay more than 30% of their monthly adjusted income for rent.

The rental certificate program started in the 1970's. The rental voucher program came about in the 1980's and was specifically developed as an alternative to the certificate program.

The Department and Congress both recognize that running two very similar programs is administratively burdensome to PHAs and confusing the program participants. In 1995, HUD issued a final rule that conformed the regulations of the certificate and voucher programs so the only differences between the programs are those that are in the law. The Department has proposed legislation that would eliminate these remaining statutory differences and merge the two programs into a single tenant-based program.

**Benefits.**—In FY 1996, 4.7 million families received rental assistance (1.4 million in public housing and the rest in privately owned units).

**Eligibility.**—Eligibility for a rental voucher or certificate is determined by the PHA based on total annual gross income and family size and is limited to U.S. citizens and specified categories of noncitizens who have eligible immigration status. In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live.

The program regulations require that the PHA must use the same waiting list for admission to its tenant-based certificate and voucher programs. When a family's name reaches the top of the list, the family is offered the form of assistance that first becomes available. If a family refuses the form of assistance the PHA offers, the family may remain on the list and wait for the other form of assistance. If a family refuses offers of both certificate and voucher assistance, the PHA may then remove the family's name from the waiting list.

PHAs have discretion over whether to allow participating families to switch forms of assistance. Some PHAs permit families to switch if the PHA has the other form of assistance available at the time of the request, many PHAs do not.

**Facts About Public Housing Household**

Total number	1,250,000
Average size	2.4
Race/ethnicity	
White Non-Hispanic	37%
Black Non-Hispanic	47%
Hispanic	13%
Asian	3%
Native American	1%
Age of household head	
Under 25	7%
Composition	
Families with children	49%
Elderly	34%
Disabled	9%
Other	8%
Median income	\$6,420
Average monthly rent	\$169
Number of public housing developments	
	13,741

Source: "Tenant data from: "Characteristics of Households," PD&R Recent Research Results. HUD, December 1995. Public housing development data from HUD System Information—Retrieval Public Housing, September 1995.

### *Special Needs Assistance Programs (Homeless)*

HUD administers a number of programs that offer housing and supportive services for homeless persons. These programs provide a range of housing, from emergency to transitional to permanent housing for persons with disabilities. A brief description of three of these programs follow.

#### Shelter Plus Care

S+C is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS) and their families who are living in places not intended for human habitation (for example, cars, parks, and abandoned buildings) or in emergency shelters. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities.

Program grants are used for the provision of rental assistance payments. The supportive services may be funded by other Federal, State, or local sources, as well as private sources.

#### Section 8 Single Room Occupancy

SRO housing assistance is designed to bring more standard single room dwelling units into the local housing supply and to use those units to assist homeless persons. The SRO units might be in run down hotels, old schools, or even in large abandoned homes that have been rehabilitated.

HUD contracts with PHAs to rehabilitate residential properties for SRO housing. The PHAs make Section 8 rental assistance payments to participating owners on behalf of homeless individuals who rent the rehabilitated dwellings. The rental assistance payments cover the difference between a portion of the tenant's income (normally 30%) and the unit's rent, which must be within the fair market rent established by HUD.

Rental assistance for SRO units is provided for a period of 10 years. Owners are compensated for the cost of some of the rehabilitation (as well as the other costs of owning and maintaining the property) through the rental assistance payments. To be eligible for assistance, a unit must receive a minimum of \$3,000 of rehabilitation.

#### Military Base Redevelopment Planning

For over three decades the Department of Defense has been closing domestic military installations to reduce overhead. Communities where these bases were located are charged with the

responsibility of finding alternative uses for them once they have been closed.

In 1987, Congress passed the McKinney Homeless Assistance Act, which made servicing the homeless the first priority for use of all surplus Federal properties, including military facilities.

In 1994, the Base Closure Community Redevelopment and Homeless Assistance Act was passed, superseding the McKinney Act for most base closure building and properties. This legislation was designed to accommodate the impacted communities' multiple reuse as well as to meet national priorities for homeless assistance.

### Low-Income Home Energy Assistance

Through LIHEAP, the Federal Government provides grants to States, territories, Indian tribes and tribal organizations to help low-income households meet home heating and cooling costs and to weatherize and make energy saving repairs. The program was established under Title XXVI of the Omnibus Reconciliation Act of 1981 and has been in effect since FY 1982. It is administered at the Federal level by the Administration for Children and Families in the Department of Health and Human Services.

For fiscal year 1996, a total of \$1.08 billion (including \$180 million in emergency contingency funds released because of abnormally cold weather during the 1995-96 winter) was appropriated by the Congress for low-income home energy assistance.

### Benefits

Eligible households may receive funds for heating and cooling costs and for weather-related and supply shortage emergencies. Grantees may also spend a portion of the funds on weatherization or energy-related home repairs. The number of households receiving assistance from the 50 States and the District of Columbia in FY 1995 is shown below. (An unduplicated total of households assisted cannot be derived from these estimates because the same household may be included under more than one type of energy assistance.)

Type of assistance	Number of households (in thousands)
Heating	5,148
Cooling	34
Crisis intervention:	
Winter	932
Summer	78
Low-cost residential weatherization/energy-related home repair	103