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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The Honorable Christopher J. Dodd
United States Senate

Dear Senator Dodd:

Your letter of March 19, 1982, requested our views on S. 2171, 97th Congress, 2nd Session, a bill to stimulate the development and rehabilitation of affordable multifamily rental housing entitled the "Rental Housing Production and Rehabilitation Act of 1982." The purpose of the bill is to increase the Nation's stock of rental and cooperative housing and to reduce the housing costs of the residents of such housing by encouraging the construction and rehabilitation of multifamily rental housing projects and cooperative housing projects for families and individuals without other reasonable and affordable housing alternatives in the private market. Similar bills were introduced in the House of Representatives as H.R. 5731 and H.R. 5750. In introducing S. 2171 you indicated that the proposed program is intended to serve as a replacement for the rehabilitation and new construction components of the Section 8 Rental Assistance Program.

S. 2171 has a variety of advantages over past production and rehabilitation programs. The bill incorporates several excellent features, such as the requirement for recapturing subsidies if project owners breach contract conditions or convert housing developments to condominiums during the term of assistance. The bill also sets several excellent principles for the program, such as its emphasis on cost-effectiveness and direction of subsidies primarily to areas experiencing rental shortages. We have a number of concerns, however, which we feel you should consider regarding program targeting, cost controls, and oversight and accountability. Based on the knowledge gained in extensively evaluating the Section 8 program and other Federal housing production and rehabilitation programs, we are also suggesting a number of related changes, including specific thresholds, which we believe would assure that the targeting and cost control objectives implicit in S. 2171 are effectively implemented. These changes make explicit the principles you outlined for this legislation.

We believe the greatest potential for preserving an adequate multifamily rental housing stock is in the areas of moderate rehabilitation and carefully controlled new construction. According to recent Administration estimates about 4.4 million renter-occupied

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units in the Nation are seriously deficient or have significant inadequacies. An ongoing GAO review of housing activity under the Community Development Block Grant (CDBG) program shows that many communities have successfully provided limited assistance to rehabilitate substandard units already serving needy households. 1/ Based on our reviews of the Section 8 program 2/, we can conclude that to increase the housing stock through construction of new units, capital grants or other one-time subsidies would have to be quite high or housing design would have to be greatly reduced from that of past programs while carefully controlling costs. In the past, project developers have been reluctant to reduce project designs in order to maintain the marketability of their projects and past program subsidy mechanisms have tended to encourage cost maximization. Furthermore, many private developers have indicated to us that a deep, long-term subsidy is needed as an incentive to encourage new construction. Thus, it is uncertain as to how extensively a program like this can encourage construction. Nonetheless, it would be unwise to forego targeting requirements and cost controls under any program in an attempt to promote new construction, because production is only useful if it can be done in a way which achieves program objectives.

The need to preserve and increase the Nation's rental housing stock, particularly for low- and moderate-income households, is clear. According to an April 1981 National Housing Conference report, 5 million households live in physically inadequate or overcrowded housing and far more are in financial need. For many households, renting is the only choice available, but, in many communities vacancy rates are low and rents have increased sharply over the years posing a significant and increasing burden on poor people. Our current evaluation of housing needs and program activities in CDBG entitlement cities shows that although their housing assistance is primarily directed towards rehabilitation of single-family housing, the overwhelming need is to rehabilitate and provide assistance to multifamily rental housing for low- and moderate-income households. The proposed program would, due to funding constraints, be capable of providing assistance to only a limited number of low- and moderate-income households and we believe that, as currently drafted, it has the potential to essentially exclude occupancy in assisted units by very low-income households unless some other source of rental subsidy is provided or unless targeting to such households is explicit.

1/Review of the Use of Housing Grants as an Alternative for Housing Low Income Families.

2/See enclosure I for a listing of prior GAO reports relating to the Section 8 program.

S. 2171 states that the assistance provided under this proposed program would be limited to the minimum amount required to provide modest housing. This modest design standard is explicit in the Section 8 program legislation and regulations and in those of most earlier assistance programs, but has rarely been achieved. As a result, the Section 8 program has been costly and has produced housing projects which are often much better than most nearby rental housing. In our opinion, the goal of modest design has not been achieved because legislation (which guides regulation) has not contained any specific language on what constitutes modest housing.

We also note that the bill does not specifically provide for an evaluation of the program by the Department of Housing and Urban Development (HUD). It is our view that program evaluation is a fundamental part of effective program administration and that the responsibility for evaluations should rest initially upon the responsible agencies.

Overall, the bill would make significant progress in overcoming the major criticisms of past and present production and rehabilitation programs, but we believe that the program which it proposes could be made much more effective in achieving the stated goals by:

--strengthening certain targeting provisions to insure that projects provide the maximum possible assistance to low- and moderate-income households while minimizing displacement of low- and moderate-income households in favor of the more affluent,

--enhancing cost-control provisions aimed at maximizing the number of units assisted while minimizing program costs, and

--strengthening accountability and oversight by requiring adequate recordkeeping, program evaluation, and GAO's access to records.

Each of these areas is discussed below along with a brief rationale for the needed changes.

STRENGTHENING TARGETING PROVISIONS

In general, S. 2171 attempts to encourage careful targeting of benefits and should avoid some of the most troublesome problems of past programs. We believe, however, that it could be improved substantially by making explicit the targeting principles it encompasses to maximize assistance to lower income households and to minimize displacement of lower income households in favor of the more affluent.

According to the stated purpose of S. 2171, Federal assistance would be provided to construct and rehabilitate modestly designed housing in eligible areas, as determined by objectively measurable indices, for families or individuals without other reasonable and affordable alternatives in the private market. The amount of assistance would be sufficient to provide affordable rents, in at least 20 percent of the units in any eligible project, to families with incomes not exceeding 80 percent of area median income. A priority is established for the selection of proposals which exceed the 20 percent requirement for service to low- and moderate-income households. H.R. 5731 and H.R. 5750 do not include a provision providing such a priority.

Maximizing assistance to lower income households

Although a priority is established for selection of proposals which exceed the 20 percent requirement, potentially 80 percent of an assisted project's units would be available for market rate tenants. Because Federal assistance is designed to be leveraged with non-Federal public and private funds, we recognize the desirability of having some of the project units house market rate tenants in order to attract participation by investors and help maintain the long-term viability of the project. The 20 percent requirement, however, appears to be quite low considering the potential demand for assisted housing in areas experiencing a severe shortage of affordable rental housing to lower income households and the practical limitation on spending for this purpose in a tight budget.

Furthermore, recent congressional intent to target assisted units to very low-income households is evident in Public Law 97-35, August 13, 1981, 95 Stat. 384. Section 323 (42 U.S.C. 1437n) provides national percentage limitations on the number of Public Housing and Section 8 units that can be leased to families with incomes above 50 percent of median--only 10 percent for existing units available before and leased after October 1, 1981, and only 5 percent for new units available after October 1, 1981. Because the subsidy that would be provided under S. 2171 is not as deep as the Section 8 program, these same percentage limitations are probably not viable. We believe, however, that at least 50 percent of assisted units could be targeted to very low-income households because the unit rents under this shallow subsidy program would likely be lower than those allowed under Section 8. In our opinion there will be strong incentives for project owners to target rents toward the higher end of the eligibility requirement, thus precluding the opportunity for very low-income households to occupy assisted units, unless they are also eligible for and receive additional rental assistance subsidies from other sources.

A major weakness in current assisted housing programs, has been that household needs have been virtually ignored in

determining eligibility. Eligibility is predominately based on household income, and 80 percent of area median income by family size is generally the cutoff for acceptance. Neither the Section 8 program nor the CDBG program requires that household needs be considered in determining eligibility for housing assistance. Factors such as whether households occupy substandard or overcrowded housing or whether they pay an excessive portion of their incomes toward rental expenses have been largely irrelevant.

We believe that the targeting provisions of S. 2171 which were likely drafted to avoid these past problems could be strengthened to assure their avoidance by adding provisions:

--requiring project owners to agree that at least 40 percent of the units constructed or rehabilitated with assistance from S. 2171 be occupied by households whose income does not exceed 80 percent of the area median income;

--requiring project owners to agree to lease at least 50 percent of the assisted units to very low-income households;

--prohibiting altogether the selection of projects where the rents for units would not be affordable by households earning 120 percent of the area median income, thus greatly improving targeting to both neighborhoods and households, avoiding displacement, and still including the vast majority of all renter households;

--requiring the Secretary of HUD to give priority to the selection of projects where 100 percent of the units will serve low- and moderate-income households or to the extent to which the 40 percent requirement is exceeded; and

--requiring project owners to agree that at initial occupancy and when vacancies occur that households with the greatest need, considering factors such as their occupancy of substandard or overcrowded housing or their payment of rents representing an excessive portion of their incomes, be given preference for occupancy.

Minimizing displacement of lower income households

We believe that the project selection criteria contained in S. 2171 to encourage the "mitigation of displacement" fall short of what is needed. Examples under the Section 8 program indicate that rehabilitation of projects where less than 100 percent of the units are to be occupied by low- and moderate-income households, often results in the displacement of large numbers of low- and moderate-income households in favor or middle- or upper-income households.

On the other hand, our work on housing activities under the Community Development Block Grant program shows that many communities have successfully provided limited assistance through small grants and loans to rehabilitate projects already serving low- and moderate-income households. Without this assistance, which in many instances was conditioned on continued occupancy by low- and moderate-income households for a period of years, project owners were often unable to afford the cost to bring units up to code without substantial increases in rent.

Our preliminary evaluation of 424 questionnaire responses received from CDBG entitlement localities showed that about 40 percent of the localities used CDBG funds to assist the rehabilitation of investor-owned multifamily rental housing. Localities indicated that they used a variety of grants, loans, and other methods to finance this activity. Although loans were mentioned most frequently, there was significant grant activity, with about 30 percent of these conditioned on continued occupancy of the rehabilitated units (see enclosure II).

To minimize the significant potential for displacement of low- and moderate-income households, we believe that two simple steps could be taken:

--prohibiting the selection of projects which would result in the displacement of low- and moderate-income households by middle- or upper-income households, and

--requiring the Secretary of HUD to give priority in selecting rehabilitation projects to those with units in substandard condition which are already occupied by low- and moderate-income households.

ENHANCING COST-CONTROL PROVISIONS

Cost controls are necessary for any program if it is to successfully encourage the minimization of costs and the optimization of benefits. We have repeatedly advocated strengthened controls for section 8 and other subsidy programs (see reports listed in enclosure I) and we strongly believe that cost controls should be a major emphasis in any new program's design. S. 2171 provides that cost-effectiveness be a major criteria for project selection. This is an important improvement over past programs such as section 8 where cost has been at best a secondary consideration in choosing projects. To ensure that HUD, State and local governments, and project owners adhere to this principle, we believe explicit cost-control provisions are needed.

Building modest housing
with fewer amenities

S. 2171 provides that the amount of assistance would be the least amount which the Secretary of HUD determines is necessary to provide decent rental or cooperative housing of modest design. This requirement for adherence to modest design has been implied or explicit in all subsidized housing programs over the last 20 years. Only rarely, however, has it been achieved. For example, Public Law 97-35, August 13, 1981, 95 Stat. 384, requires that only modest housing be provided under the Section 8 program, however, this requirement appears to have had little effect on HUD guidance issued since then 1/, because the statute does not contain specific guidance on what constitutes modest housing.

The Section 8 program is producing very good quality rental housing. The housing is, in fact, often better than most other housing in the general market areas where it is located. Our past work on the Section 8 program showed that if adequate controls and incentives were built into the program significant savings were easily achievable, which could in turn have been used to extend housing assistance to a greater number of needy households. Placing limits on unnecessary renovation and explicit limits on unit size and amenities could have saved hundreds of millions of dollars under that program. In March 1981 2/, we reported that the sizes of 870 units in 12 projects which we visited were significantly larger than the minimum sizes considered adequate using HUD's minimum property standards. These larger units translated into higher construction costs per unit, higher operating and maintenance costs, and correspondingly higher subsidized rentals. We also found a wide range of unnecessary amenities at 31 projects we visited. While these amenities contributed to the appearance, livability, and tenant comfort of the projects, their necessity in many cases could be questioned for housing which is so heavily subsidized and which is serving only a fraction of the households in need.

1/HUD Notice H81-65, issued November 12, 1981, identifies new procedures relative to cost containment and modest design requirements in Section 8 and Section 202 new construction and substantial rehabilitation projects. Based on our review of these requirements, we concluded that Notice H81-65 still permits the construction of housing units which appear to be larger than necessary.

2/"How To House More People At Lower Costs Under The Section 8 New Construction Program" (CED-81-54, Mar. 6, 1981).

Although the shallow subsidy that would be provided by S. 2171 should normally encourage the construction or rehabilitation of more modest housing than under the Section 8 program, we believe there is a strong economic incentive for project owners to build more than modest housing. Potentially 80 percent (or at most 60 percent as we envision the program) of an assisted project's units would be available for market rate tenants. Thus, to increase the marketability and competitiveness of these units with other rentals in the area, project owners could be expected to build the most expensive housing possible if allowed and if funding were available. Although increasing the number of assisted units from 20 percent to 40 percent as suggested earlier would reduce somewhat the incentive to build more than modest housing units, we believe that specific legislation is needed to ensure that HUD, State and local governments, and project owners adhere to the modest design objective.

We further believe that the amount of rehabilitation assistance provided to individual projects should be limited to the minimum amount needed to restore the units to standard condition or to repair or replace major building systems or components in danger of failure. During our preliminary analysis of CDBG program experiences we estimated that the average cost for rehabilitating investor-owned multifamily rental units was $6,400. This estimate is based on the last program year the activity was used, which varied from one locality to another, and probably includes both moderate and substantial rehabilitation. Although placing a statutory limit on the amount of assistance provided per unit would probably be opposed by a variety of forces, we believe that such a provision would be invaluable in both defining intent and controlling costs. Our specific suggestions on cost control are as follows:

--limiting the size of newly constructed housing units receiving assistance to no more than 110 percent of unit sizes implicit in HUD minimum property standards as shown in enclosure III,

--limiting the amenities which can be provided in newly constructed projects or added to rehabilitated projects to those included in the least expensive standard rental housing available in broad market areas,

--limiting rehabilitation assistance to only those housing units considered to be in substandard condition or in need of repair or replacement of major building systems or components in danger of failure,

--limiting rehabilitation assistance to that amount needed to restore the unit to standard condition or to repair or replace major building systems or components in danger of

failure and thus precluding the use of assistance in making cosmetic improvements,

--placing an overall limit on the per unit rehabilitation assistance which can be provided as adjusted for local construction cost differences (for example, based upon our recent work we believe a national average should be below $6,400 per unit), and

--limiting the debt on any project to a principal amount which when added to assistance provided under S. 2171 and other debt secured by the property does not exceed the amount which could be insured for the project under section 207 of the National Housing Act.

Recapturing subsidies provided to units occupied by other than lower income households

Subsidizing partially assisted rental projects, which is possible under S. 2171, is clearly not a new concept. The Section 8 program allows development of partially assisted projects with 20 percent (or more) of their units designated as assisted and 80 percent of the units for market rate tenants. The original purpose of this was to achieve economic integration among project households. In addition, the section 8 regulations initially permitted a project owner to rent up to 20 percent of the units slated for assistance to ineligible households without explicit HUD approval. In our April 1981 report 1/ we argued against the use of units already earmarked for assisting lower income households to house middle-income households without regard for the availability of assisted households. We reported that the indirect financing subsidies provided those projects accrued to all units regardless of who occupied them and that a decrease in the percentage of eligible tenants housed by section 8 degrades the cost effectiveness of the program. In those cases where middle- and upper-income households and project syndicators benefitted from these indirect financing subsidies there were no provisions for recapture or repayment. As previously noted, S. 2171 has incorporated an excellent recapture provision to avoid some of these past problems, but we believe additional savings are possible and that greater precautions are needed, such as:

--expanding the terms of the assistance contract with project owners to require them to agree in advance to repay any subsidies provided for units intended to be occupied by other than low- and moderate-income households, and

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1/"Lenient Rules Abet The Occupancy Of Low-Income Housing By Ineligible Tenants" (CED-81-74, Apr. 27, 1981).

--requiring that, in recapturing subsidies as outlined above or due to the project owner's non-compliance of any other terms of their assistance contract with HUD, the amount recaptured include the total amount of assistance provided plus interest at a rate not less than 120 percent of the average yield on outstanding marketable long-term obligations of the United States during the month preceeding the date on which assistance was made available.

Performing income certifications to determine household eligibility

Complete and accurate reporting and verification of income is needed to ensure that only eligible families are assisted and that the level of assistance is properly calculated. Since 1971, we have issued a number of reports on section 8 and other subsidized housing programs which have identified shortcomings in this area. Generally, project owners are responsible for certifying tenant income. Income verifications are not always properly made, however, and some families pay less for their rent than they should. Our present work on the housing activity under the CDBG program has shown that the weakest income certification and recordkeeping under the program may be in its multifamily housing assistance.

To ensure that only eligible households receive assistance, we believe S. 2171 should include a provision requiring State or local governments or their agents to perform income certifications for households receiving assistance under the program, and to accumulate and retain the information obtained from this certification for use in compliance audits and performance evaluations. Without this requirement program cost-effectiveness could be significantly degraded by occupancy of assisted units by ineligible households.

Eliminating the Davis-Bacon Act labor standards

In light of our long standing position that the Davis-Bacon Act should be repealed, we are opposed to section 8 of S. 2171 which would extend its provisions. As we demonstrated in our report issued to the Congress in 1979 1/, and in subsequent testimony and reports, the Act results in unnecessary construction and administrative cost of perhaps several hundred million dollars annually and has an inflationary effect on the areas covered by inaccurate wage rates and the economy as a whole. We favor repeal of the Davis-Bacon Act and oppose further extension of it because other wage rate legislation and changes in economic conditions

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1/"The Davis-Bacon Act Should Be Repealed" (HRD-79-18, Apr. 27, 1979).

and in the construction industry since the law was passed make it unnecessary. Furthermore, after 50 years the Department of Labor has not developed an effective program to issue and maintain current and accurate wage determinations, and it may be impracticable for it or any agency to do so.

STRENGTHENING ACCOUNTABILITY AND OVERSIGHT

The issue of how scarce resources should be allocated has always been important. Program evaluation is one of the key tools in making such allocations. Nevertheless, program evaluation is often the first item deleted when program funds are limited. Simply put, program evaluation has to be an integral program component in order that a governmental agency--Federal, State, or local--will have the necessary information to make informed allocation decisions.

We note that the bill does not specifically provide for an evaluation of the program by the Secretary of HUD. It is our view that program evaluation is a fundamental part of effective program administration and that the responsibility for evaluations should rest initially upon the responsible agencies. In line with this concept, we believe the Congress should attempt to specify the kinds of information and tests which will enable it to better assess how well programs are working and whether alternative approaches may offer greater promise. We believe these benefits would outweigh any recordkeeping and reporting costs associated with an adequate program evaluation. Accordingly, the proposed legislation should add provisions:

--Requiring the Department of Housing and Urban Development to report to the Congress on a periodic basis as to the overall progress of the program. Such a report should (1) consolidate verified information from all the receiving State and local governments, and (2) include information on costs, services provided, and beneficiaries.

--Requiring each of the State and local governments to submit annual reports to the Department showing that major requirements on State and local governments have been met. Since the State and local governments will have a major role in this program, they should be held accountable for their performance. This does not mean, however, that paperwork requirements should be too sizable. The extent of such recordkeeping should be clearly spelled out in the regulations provided by the Department.

--Requiring project owners to provide a report to the State or local government on a yearly basis (for at least the 15 years specified in the proposed legislation) describing the

types of tenants--in terms of sex, race, age, and incomes--that reside in the assisted housing.

--Giving the General Accounting Office access to all pertinent records, letters, and documents prepared by either Federal, State, local, or private entities. Although such access is clearly allowed by other laws, mention of this access in the legislation will help avoid any future confusion.

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In conclusion, S. 2171 contains a number of improvements over past and present multifamily rental subsidy programs and it provides the framework for a sound and effective program. We do not believe, however, that the proposal as presently drafted would fully achieve its stated objectives, particularly regarding targeting of benefits and controlling program costs. If necessary, we are available to assist you in developing specific legislative language to incorporate our suggestions in the proposal. As agreed with your office, copies of this letter are being distributed to others having an interest in the Nation's housing programs and will be available to others upon request.

Sincerely yours,

Comptroller General
of the United States

Enclosures - 3

LISTING OF PRIOR GAO REPORTS

RELATING TO THE SECTION 8 PROGRAM

	Report No.	Date	Title
1.	RED-75-349	4/ 1/75	Comparative Costs of the Department of Housing and Urban Development's Section 8 Leasing and 236 Rental Housing Programs
2.	RED-76-85	3/12/76	Cost of the Section 8 Lower Income Housing Assistance Program
3.	PAD-76-44	7/26/76	A Comparative Analysis of Subsidized Housing Costs
4.	CED-76-152	9/24/76	Review of HUD's Consideration of Strawbride Square, Fairfax County, Va.
5.	CED-77-19	1/28/77	Major Changes Are Needed in the New Leased-Housing Program
6.	CED-77-84	6/16/77	Review of Fair Market Rents Established by HUD for New Housing Units in Lancaster, Pa.
7.	PAD-78-13	1/10/78	Section 236 Rental Housing--An Evaluation with Lessons for the Future
8.	CED-78-117	5/10/78	Elimination of the Rent Credit Feature of the Section 8 Existing Housing Program
9.	N/A	6/27/78	Savings Possible Through the Recognition of Favorable Financing and Tax Abatements in Establishing Section 8 Contract Rents
10.	CED-78-150	7/17/78	Review of Decision to Cancel Section 8 Elderly Housing in Harrisburg, Pa.
11.	CED-78-181	10/20/78	Review of Efforts by HUD to avoid, through its Section 8 Program, Undue Concentrations of Lower Income Persons
12.	CED-79-7	1/10/79	Review of HUD's Processing of Section 8 Project in Miami Township of Clermont County, Milford, Ohio

	Report No.	Date	Title
13.	PAD-79-43	1/16/79	Cost of Section 8 Housing Could Increase if Owners Sell or Convert Projects Early
14.	CED-79-51	3/ 1/79	Duplicate Payments of Section 8 Assistance to Some Project Owners
15.	CED-79-76	4/25/79	Evaluation of HUD's Comments to Our January 10, 1979 Letter to Congressman Harsha
16.	CED-80-7	10/30/79	Housing Leased to Lower Income Persons: Better Federal Guidance and Management Could Improve Quality
17.	CED-80-59	6/ 6/80	Section 8 Subsidized Housing--Some Observations on Its High Rents, Costs, and Inequities
18.	N/A	8/21/80	Ineligible Households in Section 8 Assisted Housing
19.	PAD-80-13	9/30/80	Evaluation of Alternatives for Financing Low and Moderate Income Rental Housing
20.	CED-81-54	3/ 6/81	How to House More People at Lower Costs Under the Section 8 New Construction Program
21.	CED-81-74	4/27/81	Lenient Rules Abet the Occupancy of Low Income Housing by Ineligible Tenants

CDBG PROGRAM EXPERIENCE: REHABILITATION OF INVESTOR-OWNED MULTIFAMILY RENTAL HOUSING

A. Localities reporting that activity is CDBG funded: 162 of 424 (38 percent)

B. Frequency of finance methods used (see note on the following page for interpretation of finance method codes)

GRANTS			LOANS					OTHER				
FG	PG	CG	FL	PL	FOR	DFL	EPL	LG	ISP	RAP	GS	OTH
8	37	18	69	54	4	17	4	19	47	4	14	13

C. Detailed costs and benefits: 53 localities provided detail costs and benefit data on 61 housing interventions. The following summarizes this data.

1. Amount of total funds commited for the most recent program year that activity was performed which varies from one locality to another:

   Total funds commited from all sources: $15.7 million
   Total funds commited from CDBG program: $9.8 million

2. Average funding ranges for grants, loans, and interest subsidy used as single finance method:

	Low	High 1/
Grants only	$2,000	$ 77,000
Loans only	1,000	150,000
Interest subsidy only	3 percent	15 percent

3. Number of rental units assisted:

   Number of units assisted since inception of CDBG program : 3,707
   Number of units assisted for last program year activity used : 2,452
   Number of units assisted for last program year activity used that assisted lower income households : 1,249

4. Estimated per unit cost for last program activity used : $6,400

1/The upper limits for grants and loans often represent a large commitment which localities use to finance rehabilitation of several units in a project or target area.

Note:

Interpretation of finance method codes:

FG	- Full grant	EPL	- Equity participation loan
PG	- Partial grant	LG	- Loan guarantee
CG	- Conditional grant	ISP	- Interest subsidy payment
FL	- Full loan	RAP	- Rental assistance payment
PL	- Partial loan	GS	- Grantee service
FOR	- Forgivable loan	OTH	- Other.
DFL	- Deferred loan		