

Comparing the Costs of Federal Housing Assistance Programs

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City Research

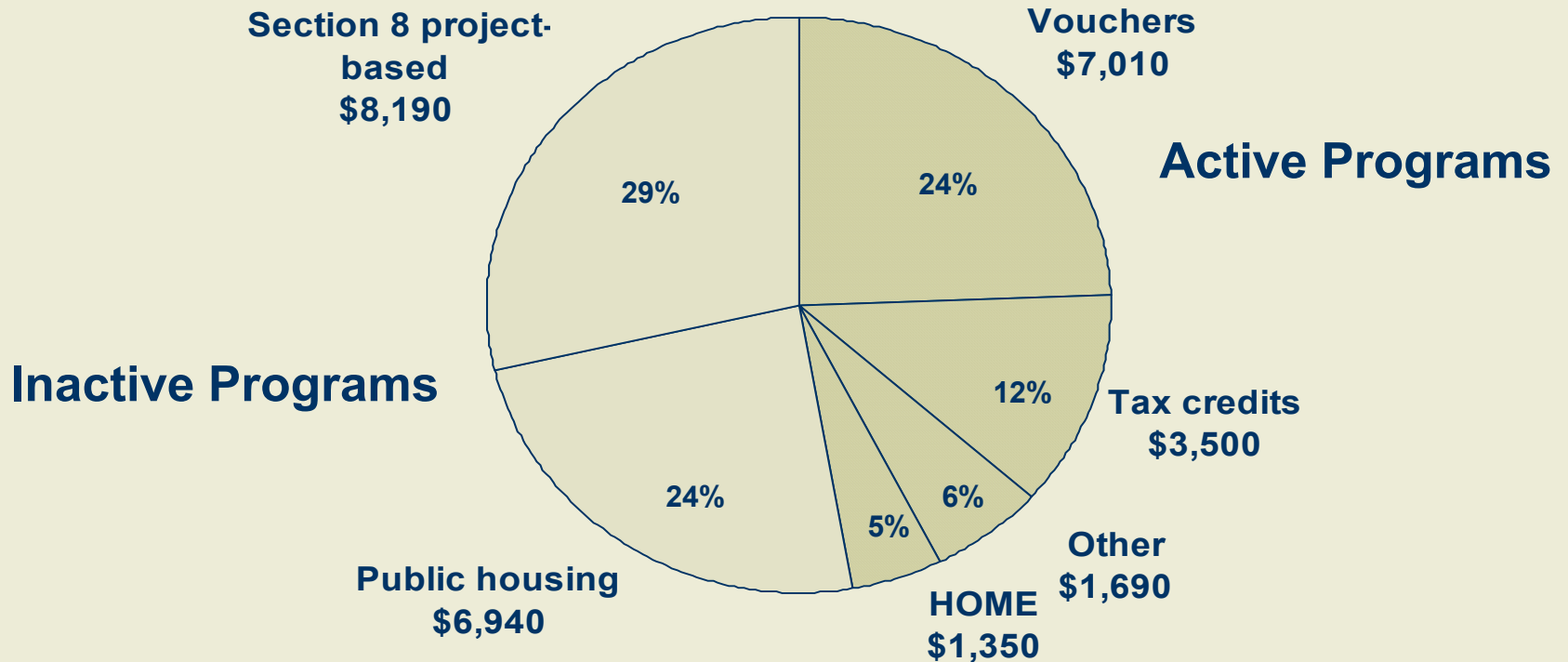
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U.S. General Accounting Office

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U.S. General Accounting Office

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Budgetary Outlays and Tax Expenditures for Active and Inactive Housing Assistance Programs

Total = \$28.7 billion



Note: Outlays and tax expenditures are for fiscal year 1999. Figures are in millions of dollars.

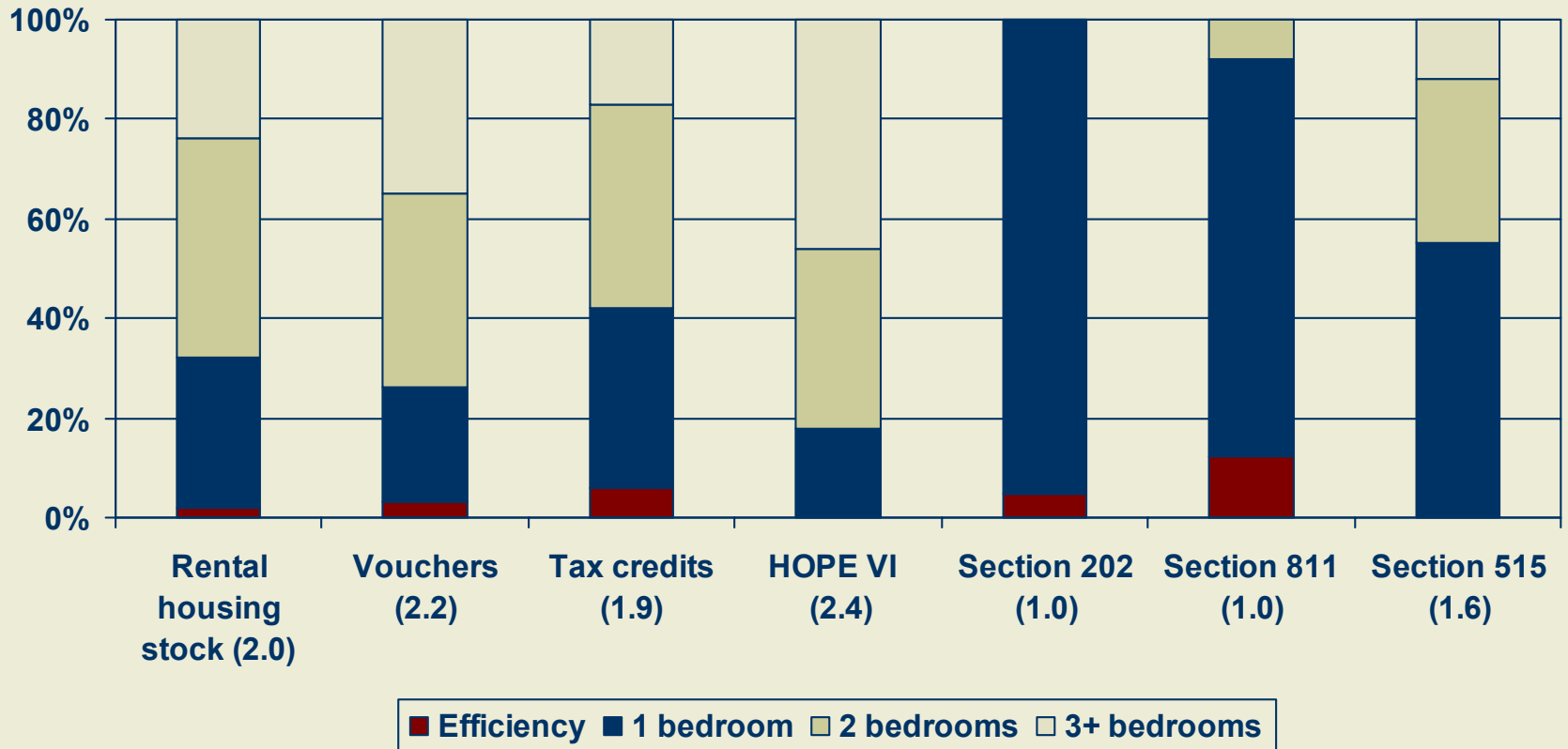
Active Programs Reviewed

<u>Programs</u>	<u>Number of units</u>
Vouchers	1.6 million
Tax credits	700,000
Section 515	485,000
Section 202	66,000
HOPE VI	65,000
Section 811	18,000

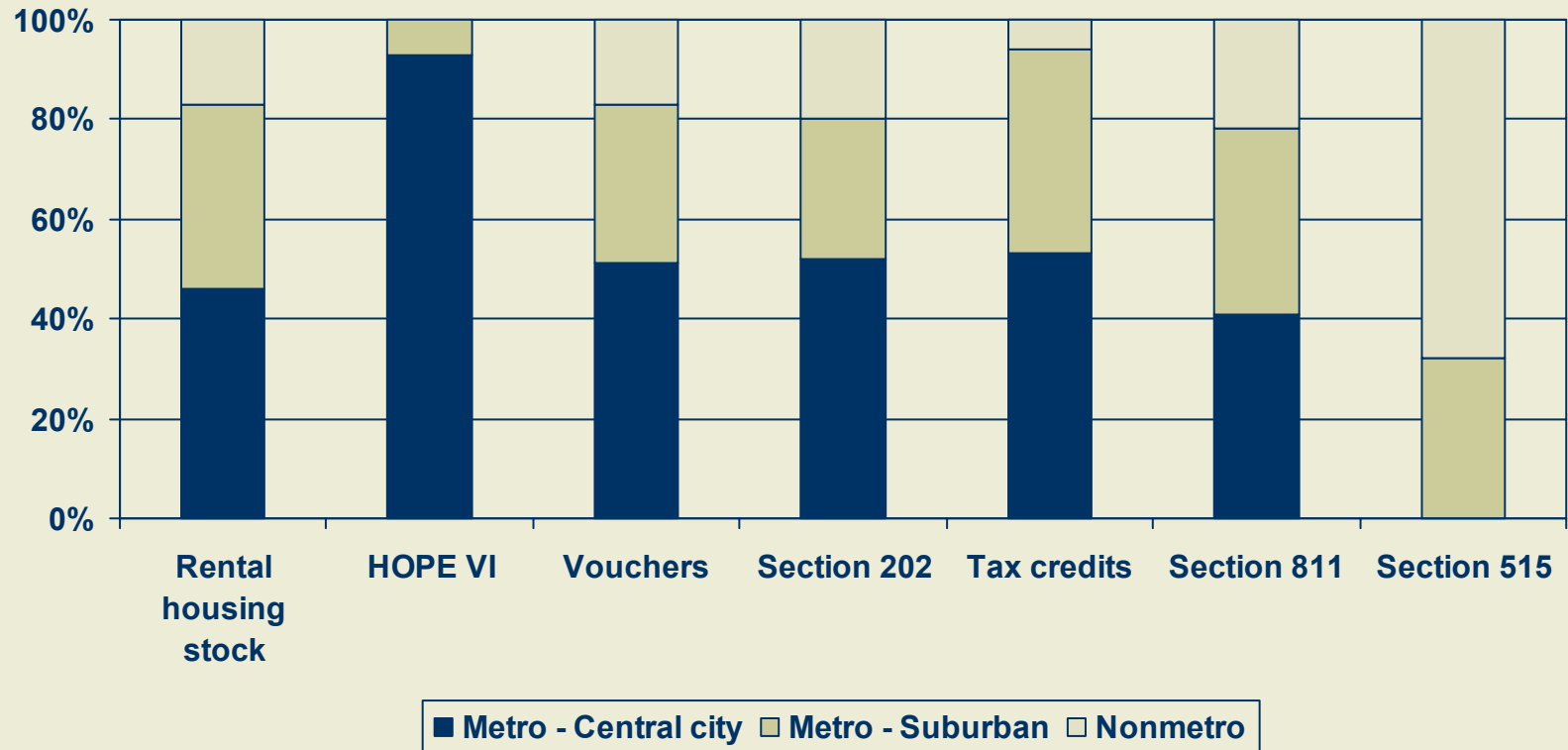
Research Questions

- ◆ What do these programs provide?
- ◆ How much do they cost?
- ◆ Who pays the cost?

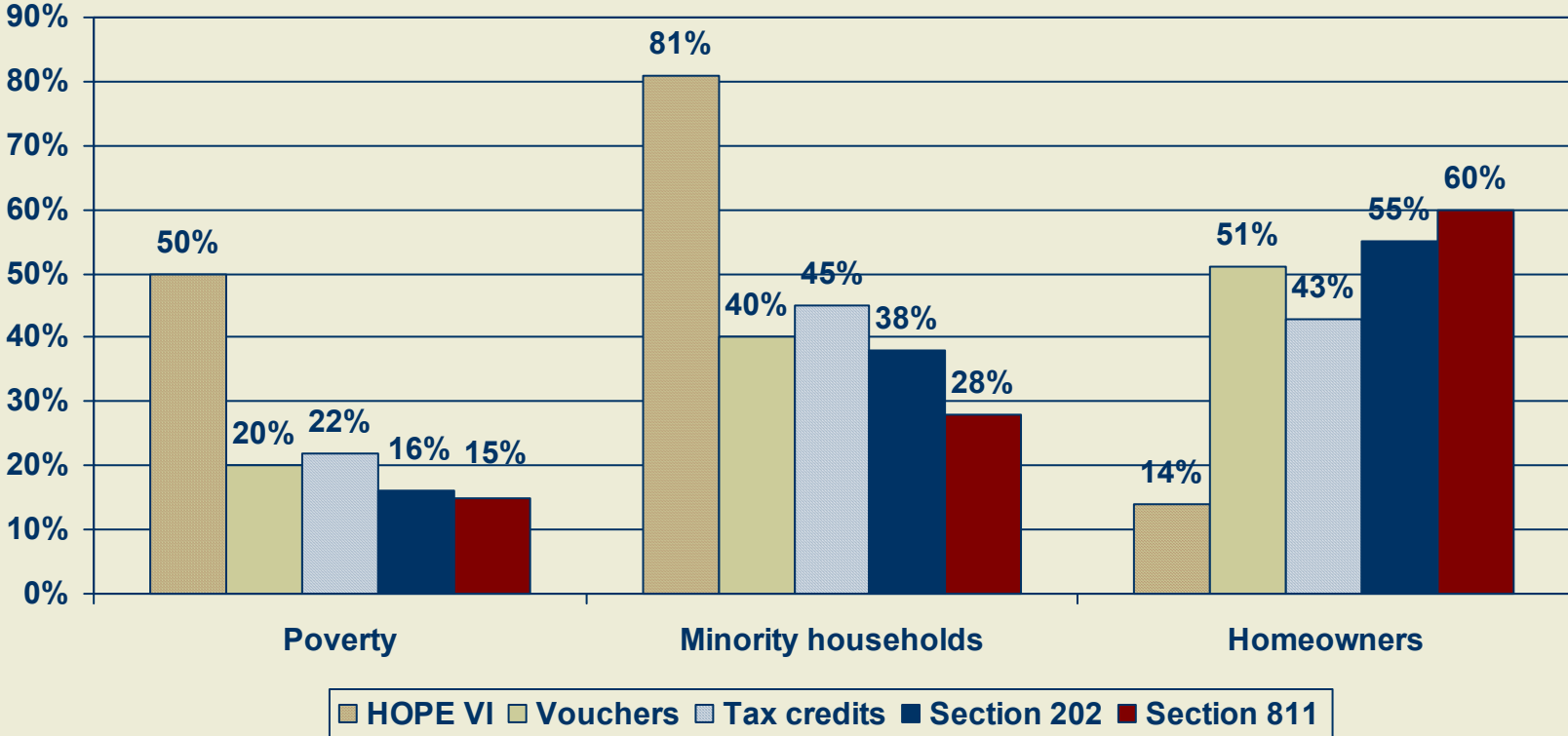
Distribution and Average Size of Units in the Six Active Housing Programs



General Location of Units in the Six Active Housing Programs



Demographic Characteristics of Neighborhoods Where Assisted Housing Is Located



Note: Figure excludes data for Section 515 units because the addresses of Section 515 properties were not readily available.

Average Total Development Costs Per Unit

Location	Tax credits	Subsidy / TDC (%)	HOPE VI		Section 202	Section 811	Section 515	Subsidy / TDC (%)
			Housing -related	All costs				
Nation	73,590	68	117,920	143,450	73,510	70,430	58,280	72
Metro	75,690	70	117,920	143,450	75,430	73,020	na	
Nonmetro	62,010	72	na	na	60,270	63,120	58,280	72
Seven metro areas								
Baltimore	77,360	67	166,380	221,210	80,250	69,420	na	
Boston	116,710	43	197,000	261,610	94,160	96,000	na	
Chicago	79,340	78	102,470	108,950	75,020	71,370	na	
Dallas/Fort Worth	60,100	52	78,920	96,460	52,390	66,710	na	
Denver	72,650	40	102,170	126,440	72,160	74,640	na	
Los Angeles	104,750	78	113,060	154,310	94,360	97,520	na	
New York	111,580	100	76,710	107,010	101,730	116,180	na	

Average Monthly Rents

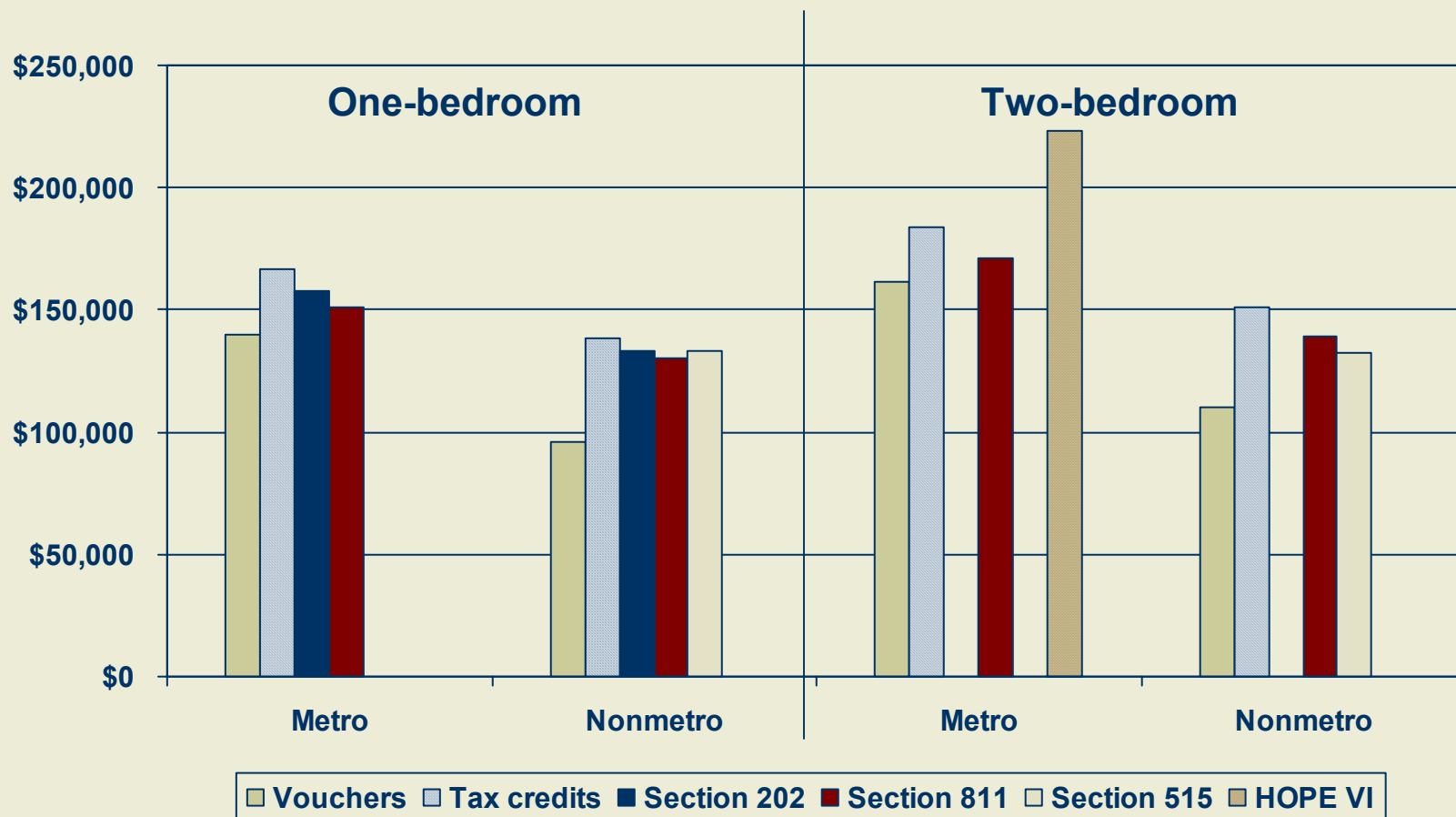
Location	Housing vouchers	Production Programs				
		Tax credits	HOPE VI	Section 202	Section 811	Section 515
Nation	610	540	430	340	320	380
Metro	650	530	430	350	340	na
Nonmetro	440	450	na	300	280	380
Seven metro areas						
Baltimore	630	510	na	380	250	na
Boston	880	820	na	420	470	na
Chicago	640	500	na	470	450	na
Dallas/Fort Worth	650	670	na	310	310	na
Denver	710	700	na	290	350	na
Los Angeles	730	440	na	380	440	na
New York	750	430	na	490	550	na

Defining Total Cost

Total Voucher Costs = PDV(Rents + Administrative Fee)

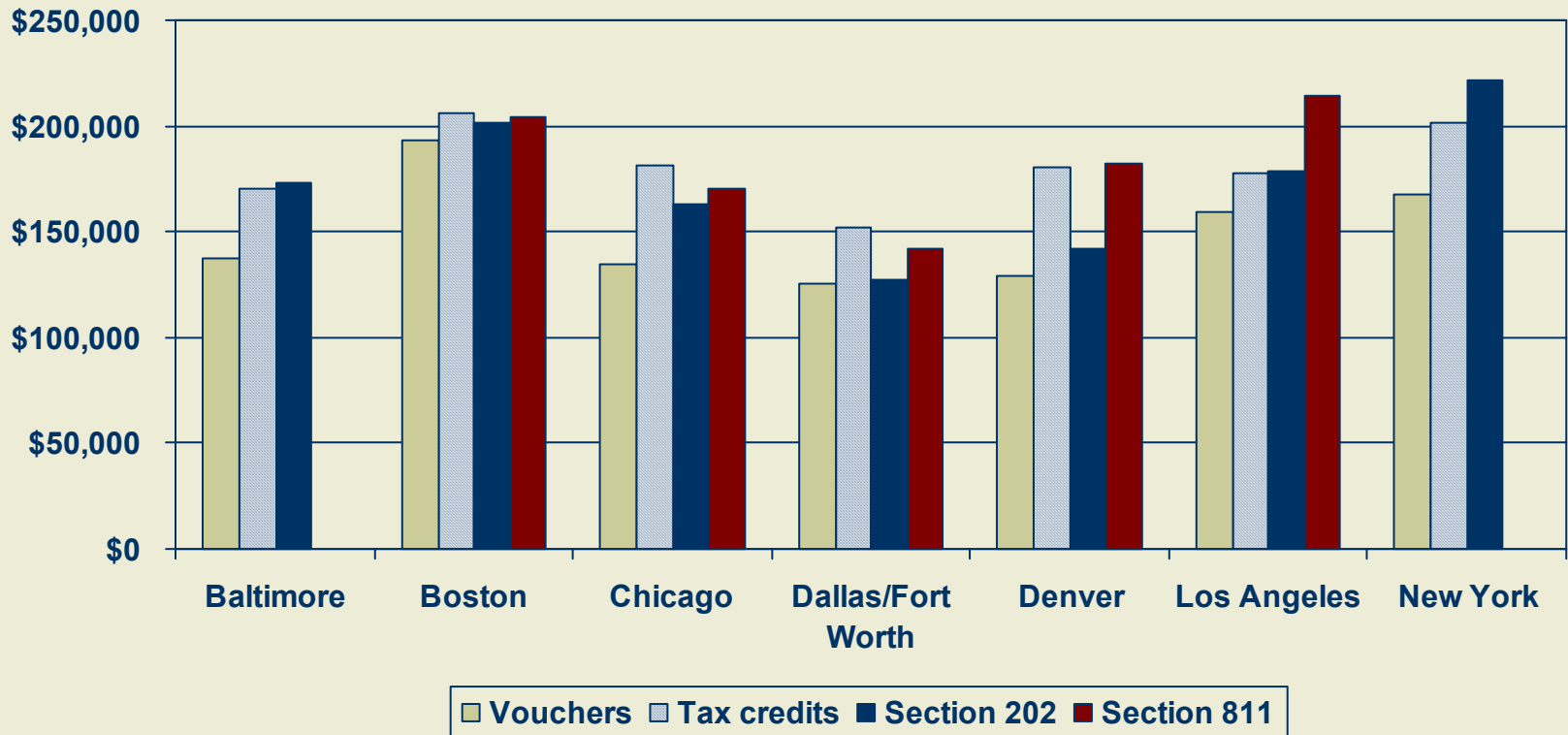
Total Production Program Costs = PDV(Rental Income) +
PDV(Development Subsidies)

Total 30-Year Cost of One- and Two-Bedroom Units in Metro and Nonmetro Areas



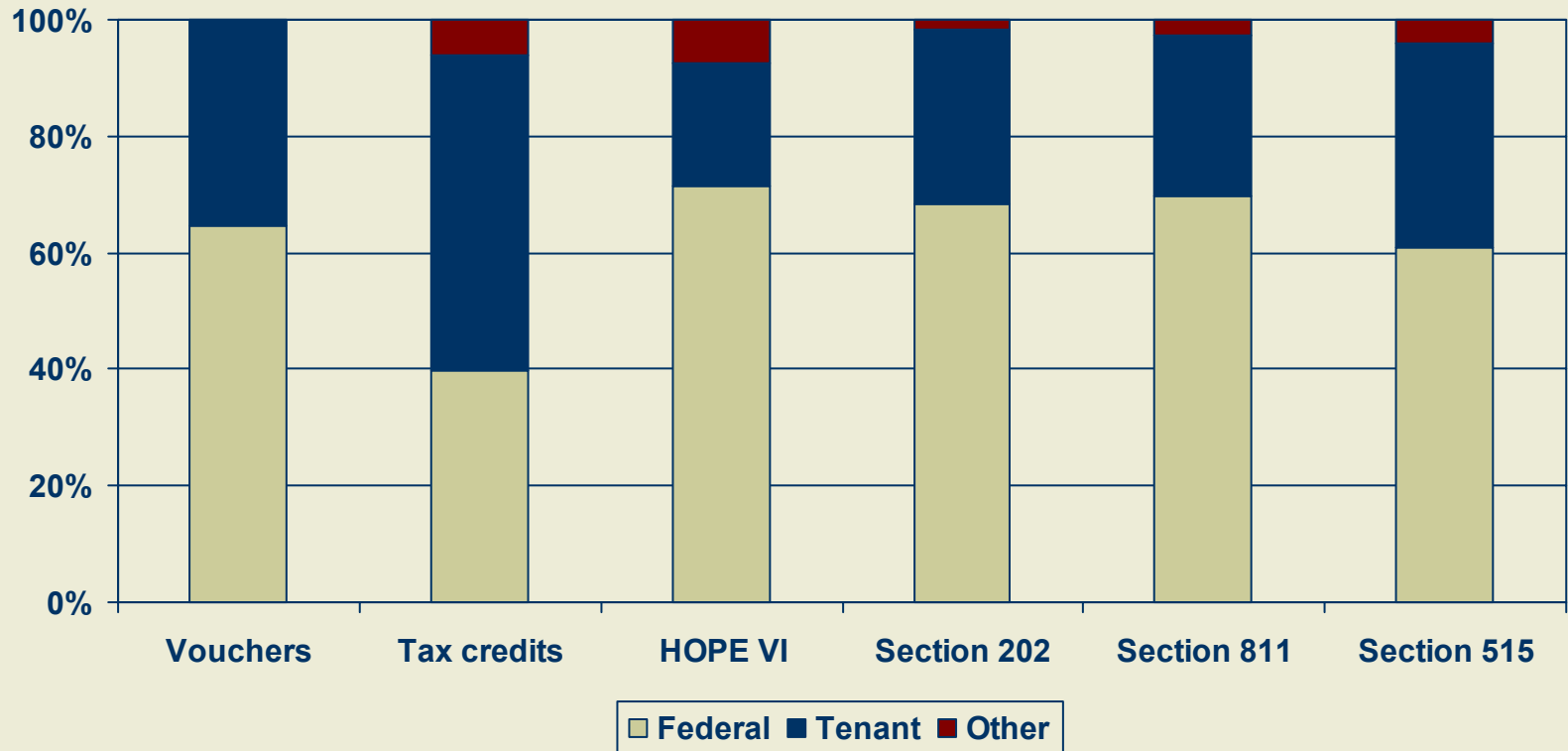
Note: Due to data limitations, the total cost for HOPE VI is based on the average-size units (2.4 bedrooms) for the program, not for two-bedroom units.

Total 30-Year Costs for One-Bedroom Units in Seven Metro Areas



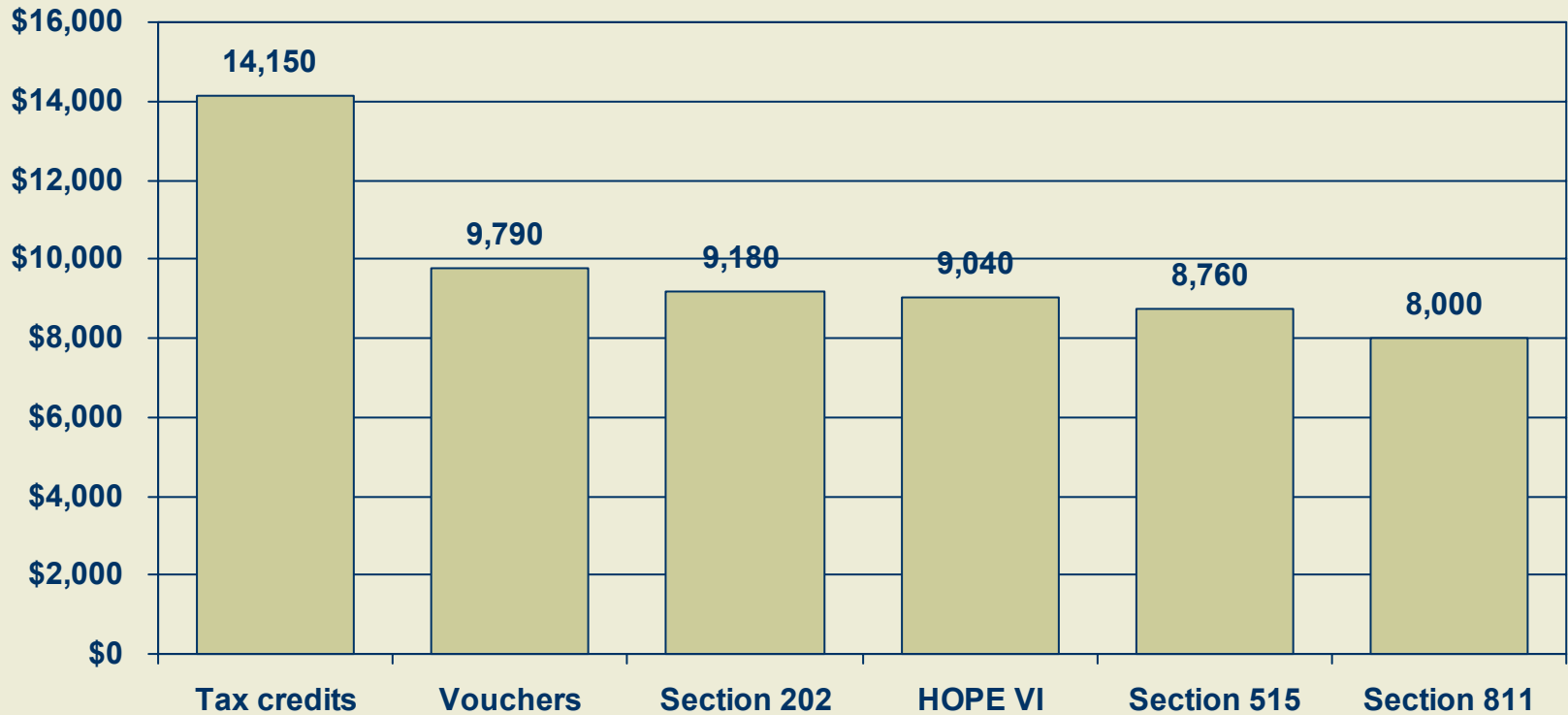
Note: We excluded Section 811 program in Baltimore and New York because there were too few properties to estimate meaningful program averages.

Shares of Total 30-Year Costs for One-Bedroom Units Paid by Federal, Tenants, and Other Sources

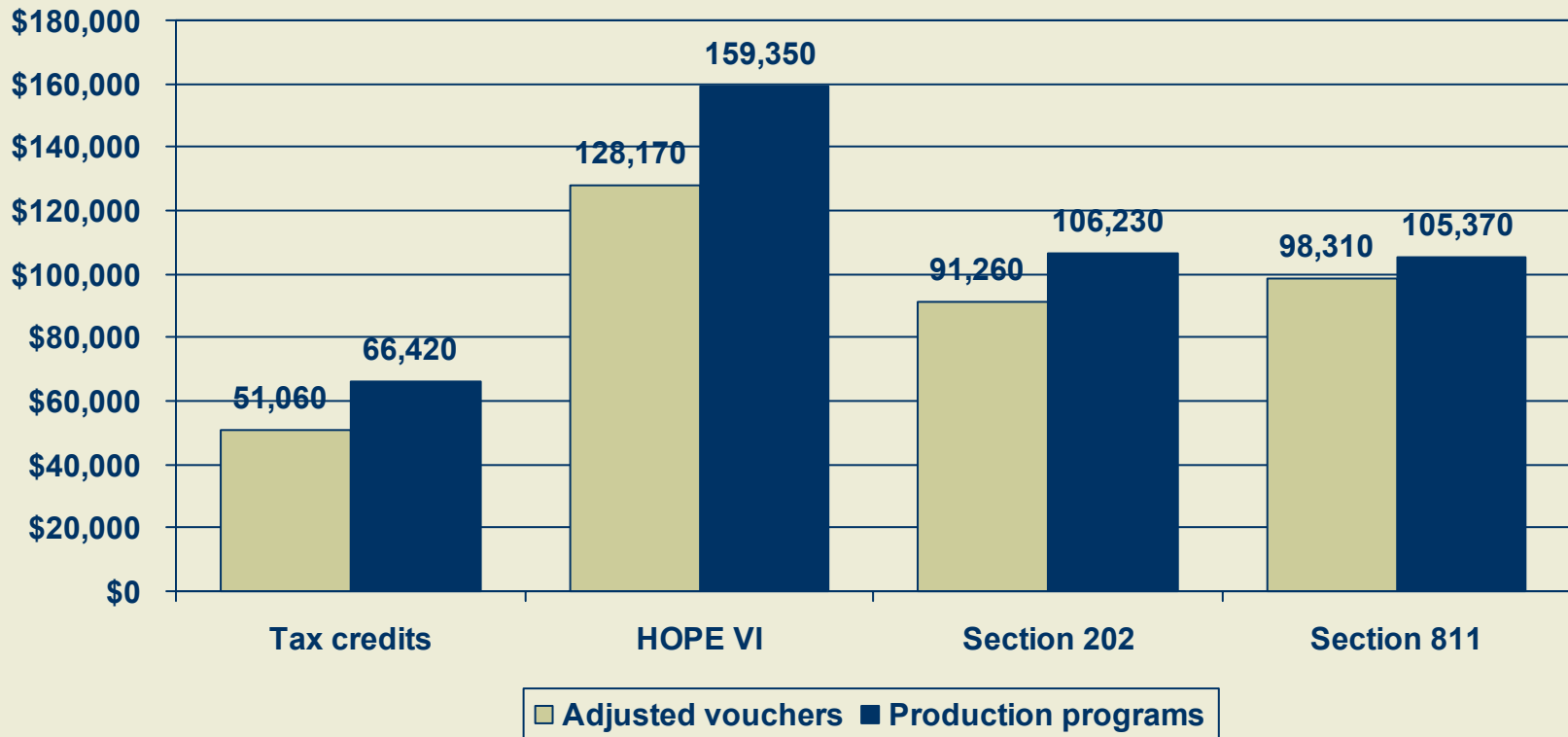


Note: Due to data limitations, the cost shares for HOPE VI are based on the average-size units (2.4 bedrooms), not one-bedroom units.

Average Annual Incomes for Households Served Under the Six Active Programs



Comparison of the Federal Cost of One-Bedroom Units in Metro Areas, Adjusted for Tenant Rental Contribution



Impact of State, Local, and Private Subsidies on 30-Year Costs of Two-Bedroom Units for Tax Credit Properties in Boston and New York

Location	Federal	State, Local, and Private	Tenant	Total
Boston	100,060	10,180	153,740	263,980
New York	92,450	58,520	81,730	232,700

Housing Policy Issues

- ◆ Programs have goals other than providing housing - the value of these benefits is difficult to measure
 - Vouchers provide mobility
 - Production programs offer supportive services and can be an integral part of community development strategies
 - Production programs may add to the supply of affordable housing stock
- ◆ Controlling program costs and risk
 - Total development costs
 - Capital replacements
- ◆ Lack of consistent, detailed data on costs limits program comparisons
 - Tax credits, largest active production program, has no centralized data on total development costs, rents, revenue/expenses, or household characteristics