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ELDERLY HOUSING

Federal Housing Programs and Supportive Services

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Highlights of [GAO-05-795T](#), a testimony to the Senate Committee on Banking, Housing, and Urban Affairs

Why GAO Did This Study

According to a congressionally established bipartisan commission, decreased investment in affordable housing and an elderly population that is projected to grow from about 12 percent of the population in 2002 to 20 percent by 2030 are likely to increase the number of elderly who must spend large portions of their incomes on housing. Moreover, according to this commission, more than one-third of the elderly tenants of government-subsidized housing require assistance with some type of activity of daily living, such as making a meal or getting in and out of bed.

This testimony, which is based on a report issued in February 2005, discusses (1) the federal housing assistance programs requiring that supportive services be made available to elderly residents, (2) other Department of Housing and Urban Development (HUD) programs that assist the elderly in obtaining supportive services, and (3) private partnerships and federal health care programs that may provide supportive services to elderly beneficiaries of federal housing assistance.

www.gao.gov/cgi-bin/getrpt?GAO-05-795T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David G. Wood at (202) 512-8678 or woodd@gao.gov.

ELDERLY HOUSING

Federal Housing Programs and Supportive Services

What GAO Found

Of the 23 housing assistance programs GAO reviewed, only 4 require the owners of participating properties to ensure that services such as meals or transportation are available to residents. Three are HUD programs: the Section 202 Supportive Housing for the Elderly Program, which subsidizes multifamily properties for elderly households with very low incomes; the Assisted Living Conversion Program, which subsidizes the conversion of HUD-subsidized multifamily properties into assisted living facilities; and the Section 232 Mortgage Insurance Program, which insures mortgages for licensed facilities that provide varying levels of skilled care and services. USDA's Section 515 Rural Rental Housing Loan program, which makes loans for the construction and rehabilitation of rural multifamily properties, has a Congregate Housing Services subprogram that requires the provision of supportive services.

HUD administers four programs that can be used with various housing programs to help the elderly with supportive services:

- Congregate Housing Services Program, which provides grants for the delivery of meals and nonmedical supportive services to elderly and disabled residents of public and multifamily housing;
- Neighborhood Networks Program, which encourages the development of computer centers in HUD-supported housing;
- Resident Opportunities and Self Sufficiency (ROSS) Program, which links public housing residents with services; and
- Service Coordinator Program, which funds coordinators who help elderly residents access services such as transportation and health care at some multifamily properties.

Supportive services may also be available to elderly residents of subsidized housing through partnerships between individual properties and local organizations and through Department of Health and Human Services (HHS) programs. For example, HHS's Public Housing Primary Care Program provides public housing residents with access to affordable primary and preventive health care through clinics that are located in or near the properties. GAO did not obtain data on the extent to which such services are made available.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to be here today as the Committee considers ways to promote coordination among federal programs that provide housing and other services to the elderly. According to the report of the congressionally established Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, decreased investment in affordable housing and a burgeoning elderly population that is projected to grow from about 12 percent of the population in 2002 to 20 percent by 2030 are likely to increase the number of elderly who must spend large portions of their incomes on housing.¹ Moreover, according to the Commission, about a third of the elderly tenants of government-subsidized housing required assistance with some type of activity of daily living, such as preparing meals or getting in and out of bed or a chair.

My statement is based largely on our recent report to the Senate's Special Committee on Aging, which requested that we identify federal programs that provide housing assistance to the elderly and the extent to which supportive services, such as meals and transportation, were affiliated with these programs.² Beginning in the 1930s, a number of federal housing programs have subsidized the construction of housing for the poor, provided rental assistance to tenants in existing privately owned housing, and insured mortgages for both single- and multifamily properties. Today, the Department of Housing and Urban Development (HUD) administers the majority of federal housing assistance programs in urban areas, and the U.S. Department of Agriculture's (USDA) Rural Housing Service (RHS) implements housing programs in rural areas. Among the programs they administer are a number that either target the elderly specifically or provide benefits for which the elderly are eligible. My statement discusses (1) housing assistance programs that serve the elderly and require that supportive services be made available to elderly residents, (2) other HUD programs that can be used in conjunction with housing programs to assist the elderly in obtaining supportive services, and (3) private partnerships

¹Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, *A Quiet Crisis in America* (Washington, D.C.: June 30, 2002). Available at <http://www.seniorscommission.gov>.

²GAO, *Elderly Housing: Federal Housing Programs That Offer Assistance for the Elderly*, GAO-05-174 (Washington, D.C.: February 14, 2005). For this report, we defined elderly as individuals aged 62 and older.

and federal health care programs that may provide some services in conjunction with federally assisted housing.

In preparing this information, we consulted with HUD and USDA officials to identify housing assistance programs that benefit the elderly. We reviewed laws and regulations to determine which of the housing assistance programs within our scope were required to ensure that supportive services were available. We identified programs providing supportive services that could be used with various housing assistance programs, whether or not such services were required. We reviewed literature and descriptions of housing assistance programs and interviewed administrators of the housing assistance programs within our scope, as well as representatives of advocacy organizations and professional associations interested in elderly housing issues and supportive services. We obtained descriptions of the supportive services programs by interviewing and obtaining documentation from officials from HUD, USDA, and the Department of Health and Human Services (HHS). We performed our work in Baltimore, Maryland; Greensboro and Raleigh, North Carolina; Columbus, Ohio; Oklahoma City and Stillwater, Oklahoma, and Washington, D.C., between December 2003 and December 2004 in accordance with generally accepted government auditing standards.

In brief:

- Of 23 federal housing assistance programs that we reviewed, only 4 required property owners to ensure that services such as meals or transportation were available to their residents. Three are HUD programs: the Section 202 Supportive Housing for the Elderly Program, which subsidizes the development and operating costs of multifamily properties for elderly households with very low incomes; Assisted Living Conversion Program, which subsidizes the conversion of HUD-subsidized multifamily properties into assisted living facilities; and Section 232 Mortgage Insurance Program, which insures mortgages for licensed facilities that provide varying levels of skilled care and services. In addition, USDA's Section 515 Rural Rental Housing Loan program, which makes loans for the construction and rehabilitation of rural multifamily properties, has a Congregate Housing Services subprogram that requires the provision of supportive services.
- HUD administers four service-related programs that can be used in conjunction with various housing programs to assist the elderly in obtaining supportive services: the Congregate Housing Services Program,

which provides meals and other services in public and multifamily housing properties; the Neighborhood Networks Program, which provides resources for establishing computer networks at these sites; and the Resident Opportunities and Self Sufficiency (ROSS) and Service Coordinator programs, which link residents with services in the community.

- Supportive services may also be available to elderly residents of subsidized housing through partnerships between individual properties and local organizations and through programs provided by HHS. For example, HHS's Public Housing Primary Care Program provides public housing residents with access to affordable comprehensive primary and preventive health care through clinics that are located either in or near public housing properties.

Background

Beginning in the 1930s, a number of federal housing programs have provided assistance to low-income renters and homeowners, including rent subsidies, mortgage insurance, and loans and grants for the purchase or repair of homes. Housing developments can be assisted by multiple programs. For example, a loan or mortgage on a multifamily property may be insured through a HUD or USDA program, and the property may have tenants that receive rental assistance from these agencies. In our earlier report, we identified a total of 23 federal housing programs that target or have special features for the elderly.³ Of these programs, 2 are intended for the elderly only, 3 target the elderly and disabled, and another 18 have special features for the elderly, such as income adjustments that lower elderly households' rental payments. Appendix I lists these housing assistance programs.

In general, both HUD and USDA programs target families at lower income levels. HUD programs target families with incomes that are extremely low (no more than 30 percent of an area's median), very low (no more than 50 percent of an area's median), and low (no more than 80 percent of an area's median). USDA programs also target families with incomes that are very low and low. In addition, some USDA programs target families with moderate incomes (no more than 115 percent of an area's median). However, these programs do not reach all needy households, and waiting

³[GAO-05-174](#).

lists for many types of subsidized housing, including housing for the elderly, are often long.

HUD has specific goals for increasing housing opportunities for the elderly, including one goal specifically related to supportive services. As outlined in its fiscal year 2004 Annual Performance Plan, these goals include (1) increasing the availability of affordable housing for the elderly, (2) increasing the number of assisted-living units, (3) increasing the number of elderly households living in privately owned, federally assisted multifamily housing served by a service coordinator, and (4) increasing elderly families' satisfaction with their Section 202 units. USDA does not have specific goals related to the elderly in its fiscal year 2004 Annual Performance Plan.

As GAO has previously reported, virtually all the results that the federal government strives to achieve require the concerted and coordinated efforts of two or more agencies. This shared responsibility is an outgrowth of several factors, including the piecemeal evolution of federal programs and service delivery efforts.⁴ Achieving results on public problems, such as the potentially large service needs of a growing elderly population, increasingly calls for effective interagency coordination. However, our work has shown that a number of barriers inhibit coordination among agencies. For example:

- In reporting on the coordination of programs for the homeless, we noted that the federal government's system for providing assistance to low-income people is highly fragmented. Each federal assistance program usually has its own eligibility criteria, application, documentation requirements, and time frames; moreover, applicants may need to travel to many locations and interact with many caseworkers to receive assistance.⁵
- A review of federally assisted transportation services for "transportation-disadvantaged" seniors (who are more likely to have difficulty accessing transportation due to physical ailments) found that 5 federal agencies administer 15 programs. Service providers told GAO that certain characteristics of federal programs, such as what the providers view as

⁴GAO, *Managing for Results: Barriers to Interagency Coordination*, [GAO/GGD-00-106](#) (Washington, D.C.: March 29, 2000).

⁵GAO, *Homelessness: Improving Program Coordination and Client Access to Programs*, [GAO-02-485T](#) (Washington, D.C.: March 6, 2002).

burdensome reporting requirements and limited program guidance, can impede the implementation of practices that enhance senior mobility.⁶

- More generally, we have noted the range of barriers to coordination that agencies often face, including missions that are not mutually reinforcing or that may even conflict; concerns about protecting jurisdiction over missions and control over resources; and incompatible procedures, processes, data, and computer systems.⁷

Four Housing Assistance Programs Require That Supportive Services Be Made Available to Elderly Residents

Generally, HUD and USDA's housing assistance programs are not required to provide supportive services to the elderly. Of the 23 housing assistance programs that target or include the elderly among potential beneficiaries, only 4 require the owners of properties developed under the programs to ensure that supportive services are available. Appendix II provides summaries of the four programs, which include:

- HUD's Section 202 program, which subsidizes the development and operating costs of multifamily properties for elderly households with very low incomes. It is the only federal housing program that targets all of its rental units to very-low-income elderly households. Applicants for Section 202 funding must demonstrate that services will be available at the development or in the community where new construction is proposed.
- HUD's Assisted Living Conversion Program, which provides private nonprofit owners of eligible properties with grants to convert some or all of their units into assisted living facilities for the frail elderly. The reconfigured facilities must include enough community space to accommodate a central kitchen or dining area, lounges, and recreation and other multiple-use areas. The facilities must provide supportive services such as personal care, transportation, meals, housekeeping, and laundry.
- HUD's Section 232 Mortgage Insurance Program, which provides mortgage insurance for the construction or substantial rehabilitation of nursing homes (facilities that provide skilled nursing care and have 20 or more beds); intermediate care facilities (those that provide minimum but continuous care and have 20 or more beds); board and care homes

⁶GAO, *Transportation-Disadvantaged Seniors: Efforts to Enhance Senior Mobility Could Benefit from Additional Guidance and Information*, [GAO-04-971](#) (Washington, D.C.: August 30, 2004).

⁷[GAO/GGD-00-106](#).

(facilities that provide room, board, and continuous protective oversight and have at least 5 accommodations); and assisted living facilities (those with 5 or more units designed for frail elderly persons who need assistance with at least 3 activities of daily living). All insured facilities must provide supportive services, but these services vary according to the type of facility.

- USDA's Section 515 Program, which provides loans to construct or to purchase and substantially rehabilitate multifamily rental or cooperative housing and recreational facilities in rural communities. Tenants eligible to live in program properties may also receive rental assistance through HUD or USDA programs. The Congregate Housing subprogram funds the development of assisted, group living environments that must provide meals, transportation, housekeeping, personal services, and recreational and social activities.

Generally, HUD and USDA do not provide funding for the services required under these housing programs.⁸ The property owners typically obtain other funds, either from federal programs, local charities, and civic groups to provide supportive services or must ensure that appropriate services are available in the community.

Other HUD Programs Can Assist the Elderly in Obtaining Supportive Services

HUD administers four service-related programs that can be used in conjunction with subsidized housing programs: two programs that provide supportive services to residents of public and multifamily properties developed under HUD programs, and two that link residents to supportive services. None of these programs are targeted exclusively to the elderly, but they either can be used in properties designated for the elderly or offer funding specifically for services for the elderly.

- The Congregate Housing Services Program provides grants for the delivery of meals and nonmedical supportive services to elderly and disabled residents of public and multifamily housing, including USDA's Section 515 housing. While HUD provides up to 40 percent of the cost of supportive services, grantees must pay at least 50 percent of the costs, and program

⁸Under the Section 202 capital advance program, if a sponsor indicates that at least 25 percent of tenants are expected to be frail elderly, HUD allows the sponsor to use funds from the project rental assistance contract to pay for a service coordinator. A portion of the funds (up to \$15 per month per unit) may also be used to cover some of the cost of supportive services.

participants pay fees to cover at least 10 percent.⁹ Like the Elderly/Disabled Services Coordinator Program under ROSS, the Congregate Housing Services Program has provided no new grants since 1995, but Congress has provided funds to extend expiring grants on an annual basis.

- The Neighborhood Networks program encourages property owners, managers, and residents of HUD-insured and -assisted housing to develop computer centers. Although computer accessibility is not a traditional supportive service for the elderly, a senior HUD official noted that having computers available enhances elderly residents' quality of life. HUD does not fund each center's planned costs but encourages property owners to seek cash grants, in-kind support, and donations from sources such as state and local governments, educational institutions, private foundations, and corporations.¹⁰
- The ROSS grant program links public housing residents with appropriate services. This program differs from the Service Coordinator Program in that it is designed specifically for public housing residents. The ROSS program has five funding categories, including the Resident Service Delivery Models for the Elderly and Persons with Disabilities (Resident Services) and the Elderly/Disabled Service Coordinator Program. Resident Services funds can be used to hire a project coordinator; assess residents' needs for supportive services and link residents to federal, state, and local assistance programs; provide wellness programs; and coordinate and set up meal and transportation services. The Elderly/Disabled Service Coordinator Program has not provided new grants since 1995 but still services existing grants.¹¹
- The Service Coordinator Program provides funding for managers of multifamily properties designated for the elderly and disabled to hire coordinators to assist residents in obtaining supportive services from community agencies. These services, which may include personal assistance, transportation, counseling, meal delivery, and health care, are intended to help the elderly live independently and to prevent premature and inappropriate institutionalization. Service coordinators can be funded

⁹Fees cannot exceed 20 percent of an individual's adjusted income.

¹⁰Grant funding for Neighborhood Networks centers can also be provided to public housing authorities through HUD's Office of Public and Indian Housing.

¹¹In fiscal year 2004, new grants for the program were funded through the Public Housing Operating Fund.

through competitive grant funds, residual receipts (excess income from a property), or rent increases. According to HUD's fiscal year 2003 Performance and Accountability Report, service coordinators were serving more than 111,000 units in elderly properties.

Private Partnerships and Federal Health Care Programs May Provide Some Supportive Services

Elderly residents of public and federally subsidized multifamily housing can also receive supportive services through partnerships between property owners and local organizations and through programs provided by HHS. For example, property owners can establish relationships with local nonprofit organizations, including churches, to ensure that residents have access to the services that they need. At their discretion, property owners may establish relationships that give the elderly access to meals, transportation, and housekeeping and personal care services. Although GAO did not obtain data on the extent to which such services are made available at all public and federally subsidized multifamily housing, in site visits to HUD and USDA multifamily properties, we found several examples of such partnerships:

- In Greensboro, North Carolina, Dolan Manor—a Section 202 housing development—has established a relationship with a volunteer group from a local church. The volunteer group provides a variety of services such as transportation for the residents.
- In Plain City, Ohio, residents of a Section 515 property called Pleasant Valley Garden receive meals five times a week in the community's senior center (a \$2 donation is suggested). A local hospital donates the food and a nursing home facility prepares it. Volunteers, including residents, serve the meals. The senior center uses the funds collected from the lunch for its activities. In addition, local grocery stores donate bread products to the senior center daily. The United Way provides most of the funding for the senior center.
- In Guthrie, Oklahoma, Guthrie Properties—also a Section 515 property—has established a relationship with the local Area Agency on Aging. The agency assists residents of Guthrie Properties in obtaining a variety of services, including meals and transportation to a senior center.

Some elderly residents of public and federally subsidized housing may also obtain health-related services through programs run by HHS. For example, HHS's Public Housing Primary Care Program provides public housing residents with access to affordable comprehensive primary and preventive health care through clinics that are located either within public housing

properties or in immediately accessible locations. The program awards grants to public and nonprofit private entities to establish the clinics. The organizations must work with public housing authorities to obtain the physical space for the clinics and to establish relationships with residents. Currently, there are 35 grantees, 3 of which are in rural areas. According to a program administrator, although clinics are not specifically geared toward public housing designated for the elderly, they can be established at such properties.

Elderly residents of federally subsidized housing may also be eligible for the Medicaid Home and Community-Based Services (HCBS) Waiver Program, which is administered by HHS's Centers for Medicare and Medicaid Services. Through this waiver program, individuals eligible for Medicaid can receive needed health care without having to live in an institutional setting.¹² HUD has identified these waivers as an innovative model for assisting the frail elderly in public housing.

In addition, eligible elderly residents of federally subsidized housing may receive health care through the Program of All-Inclusive Care for the Elderly (PACE), which is also administered by the Centers for Medicare and Medicaid Services.¹³ Like the HCBS waiver program, this program enables eligible elderly individuals to obtain needed services without having to live in an institutional setting. The program integrates Medicare and Medicaid financing to provide comprehensive, coordinated care to older adults eligible for nursing homes. Figure 1 provides information on the housing assistance programs that can use federally funded supportive services programs that assist the elderly.

¹²In order to be eligible for health care services through the HCBS waiver program, individuals must meet a "level of care" requirement that varies by state but that typically is measured by standards of care for either hospitals, nursing facilities, or intermediate care facilities for persons with mental retardation.

¹³PACE participants must be at least 55 years old, live in the service area, and be certified as eligible for nursing home care by the appropriate state agency.

Figure 1: Housing Assistance Programs That Can Use Federally Funded Supportive Services Programs

	Agency	Programs	Congregate Housing Services Program	Neighborhood Networks	Resident Opportunities and Self Sufficiency	Service coordinator	
Targeted to the elderly	USDA	Section 504 Rural Housing Repair and Rehabilitation Grants					
	HUD	Section 202 Supportive Housing for the Elderly	●	●		●	
Targeted to the elderly and the disabled	HUD	Assisted Living Conversion Program				●	
		Section 231 Mortgage Insurance for the Elderly					
		Section 232 Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities					
With special features for the elderly	USDA	Section 502 Rural Housing Loans (Direct)					
		Section 502 Direct Housing Natural Disaster Loans					
		Section 502 Guaranteed Rural Housing Loans					
		Section 504 Rural Housing Repair and Rehabilitation Loans					
		Section 515 Rural Rental Housing Loans	●				
		Section 521 Rural Rental Assistance					
		Section 538 Guaranteed Rural Rental Housing Loans					
	HUD	Housing Choice Vouchers					
		Project-based Rental Assistance (Section 8 and Rent Supplement) (inactive)	●	●		●	
		Public Housing	●	●	●	●	
		Section 8 Moderate Rehabilitation (inactive)		●		●	
		Section 207 Mortgage Insurance for Manufactured Home Parks					
		Section 207/223(f) Mortgage Insurance for Existing Multifamily Properties					
		Section 213 Mortgage Insurance for Cooperatives					
		Section 221(d)(3) Below-Market Interest Rate (inactive)			●	●	
		Section 221(d)(3)/(d)(4) Mortgage Insurance	●	●			
		Section 236 Mortgage Insurance and Interest Reduction Payments (inactive)	●	●		●●	
		Section 542(b)/(c) Risk Sharing					

Source: GAO analysis of housing assistance programs and supportive services requirements.

Notes: Congregate Housing Services Program grants cannot be awarded to Section 221(d)(4) housing. Information on the extent to which elderly residents actually utilized these supportive services was generally not available at the federal level.

Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions at this time.

Contacts and Acknowledgements

For further information on this testimony, please contact David G. Wood at (202) 512-8678. Individuals making key contributions to this testimony included Emily Chalmers, Natasha Ewing, Alison Martin, John McGrail, Marc Molino, Lisa Moore, John Mingus, Paul Schmidt, and Julianne Stephens.

Appendix I: Housing Programs Targeted to or with Special Features for the Elderly

	Agency	Program	Type		
Targeted to the elderly	USDA	Section 504 Rural Housing Repair and Rehabilitation Grants	S		
	HUD	Section 202 Supportive Housing for the Elderly	M		R
Targeted to the elderly and disabled	HUD	Assisted Living Conversion Program	M		
		Section 231 Mortgage Insurance for the Elderly	M		
		Section 232 Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities	M		
With special features for the elderly	USDA	Section 502 Rural Housing Loans (Direct)	S		
		Section 502 Direct Housing Natural Disaster Loans	S		
		Section 502 Guaranteed Rural Housing Loans	S		
		Section 504 Rural Housing Repair and Rehabilitation Loans	S		
		Section 515 Rural Rental Housing Loans		M	
		Section 521 Rural Rental Assistance			R
		Section 538 Guaranteed Rural Rental Housing Loans		M	
	HUD	Housing Choice Vouchers			R
		Project-based Rental Assistance (Section 8 and Rent Supplement) (inactive) ^c	M		R
		Public Housing			P
		Section 8 Moderate Rehabilitation (inactive) ^c			R
		Section 207 Mortgage Insurance for Manufactured Home Parks		M	
		Section 207/223(f) Mortgage Insurance for Existing Multifamily Properties		M	
		Section 213 Mortgage Insurance for Cooperatives		M	
		Section 221(d)(3) Below-Market Interest Rate (inactive) ^c		M	
		Section 221(d)(3)/(d)(4) Mortgage Insurance		M	
Section 236 Mortgage Insurance and Interest Reduction Payments (inactive) ^c		M			
Section 542(b)/(c) Risk Sharing		M			

S Single family

M Multifamily

P Public housing

R Rental assistance

○ The elderly are the only beneficiaries

◐ Assisted living facilities and properties make supportive services available

◑ Properties can be designated for occupancy by the elderly

● The elderly receive income adjustments when determining program eligibility or rent

Sources: GAO analysis of authorizing legislation, program regulations, program handbooks, and other HUD and USDA documents.

Description	Features specific to elderly			
	○	○ ^a	●	●
Provides grants to elderly rural homeowners with very low incomes for home repair or rehabilitation	○			●
Subsidizes development and operating costs of multifamily properties for elderly households with very low incomes	○ ^a	○	●	
Subsidizes conversion of HUD-subsidized multifamily properties to assisted living facilities		○		
Insures mortgages for multifamily properties for the elderly and disabled; no income limits			●	
Insures mortgages for licensed facilities that provide varying levels of skilled care and services; no income limits		○	●	
Makes loans to households with low incomes for the purchase of rural single-family homes				●
Makes loans to households with very low and low incomes for single-family homes in rural disaster areas				●
Guarantees mortgages for households with low and moderate incomes to purchase rural single-family homes				●
Makes loans to rural homeowners with very low incomes for home repair or rehabilitation				●
Makes loans for the construction and rehabilitation of rural multifamily properties for households with very low to moderate incomes ^b			●	●
Provides rental assistance to tenants with very low and low incomes in Section 515 and other USDA-financed multifamily properties				●
Guarantees mortgages for rural multifamily properties for households with low and moderate incomes			●	
Provides tenant-based rental assistance for households with extremely low to low incomes				●
Provides project-based rental assistance in multifamily properties for households with extremely low to low incomes			●	●
Provides subsidized housing operated by public housing authorities for households with extremely low to low incomes			●	●
Provides project-based rental assistance for households with extremely low to low incomes in properties that required moderate rehabilitation				●
Insures mortgages for manufactured home parks; no income limits			●	
Insures mortgages to purchase or refinance existing multifamily properties; no income limits			●	
Insures mortgages for multifamily cooperatives; no income limits			●	
Insured below-market interest rate mortgages for multifamily properties for households with incomes below 95 percent of the area median			●	
Insures mortgages for multifamily properties; no income limits			●	
Insures and subsidizes the interest rate of mortgages for multifamily properties for households with low incomes			●	●
Partially insures mortgages for affordable multifamily properties, sharing risk with lenders; no income limits			●	

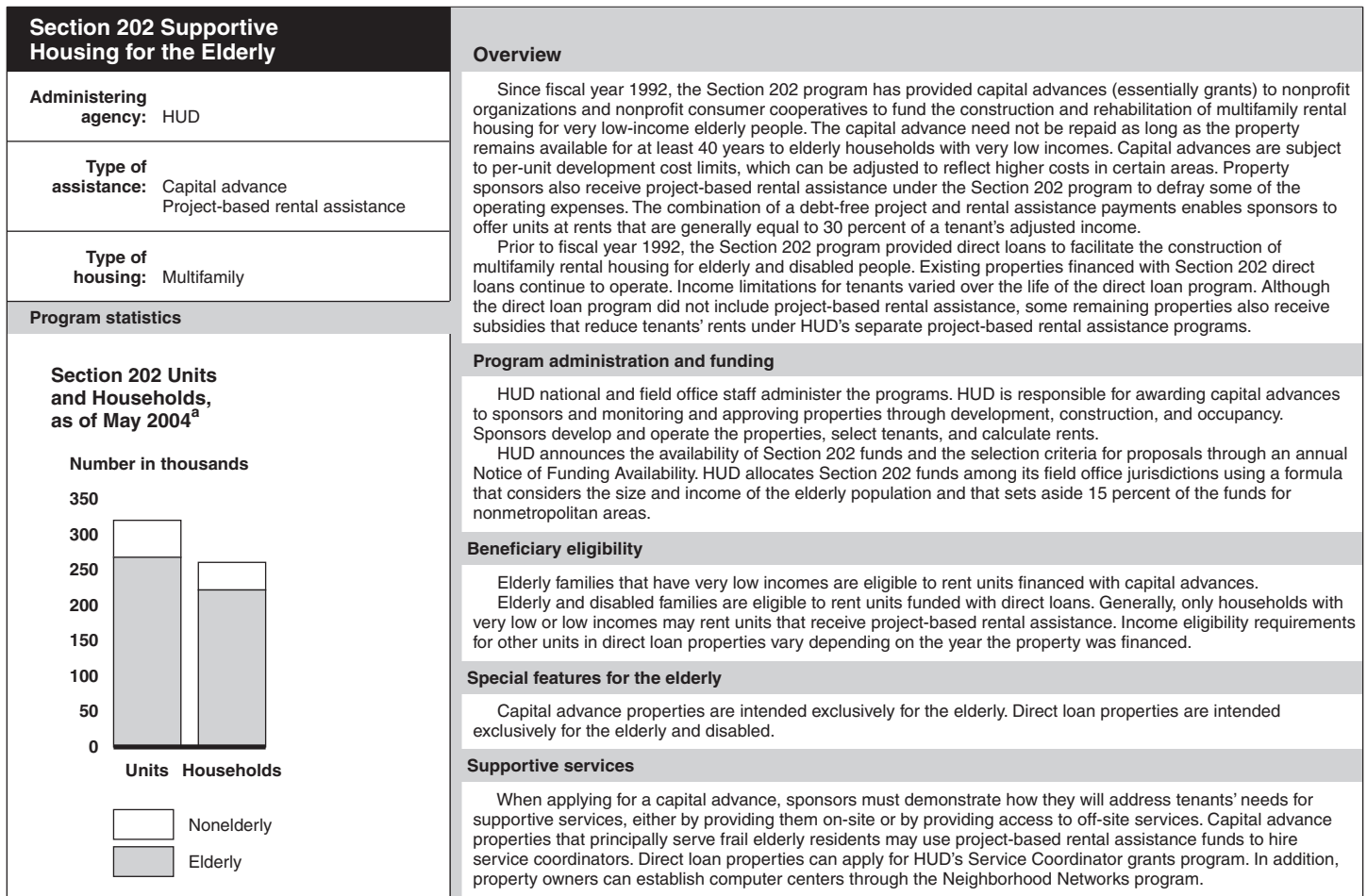
^aBefore fiscal year 1992, the Section 202 program also supported the development of housing for the disabled.

^bInactive programs no longer provide assistance or insurance to new properties, but existing properties continue to operate under the programs.

^cThe Section 515 program's Congregate Housing subprogram requires properties to provide supportive services.

Appendix II: Housing Assistance Programs That Require That Supportive Services Be Made Available to Elderly Residents

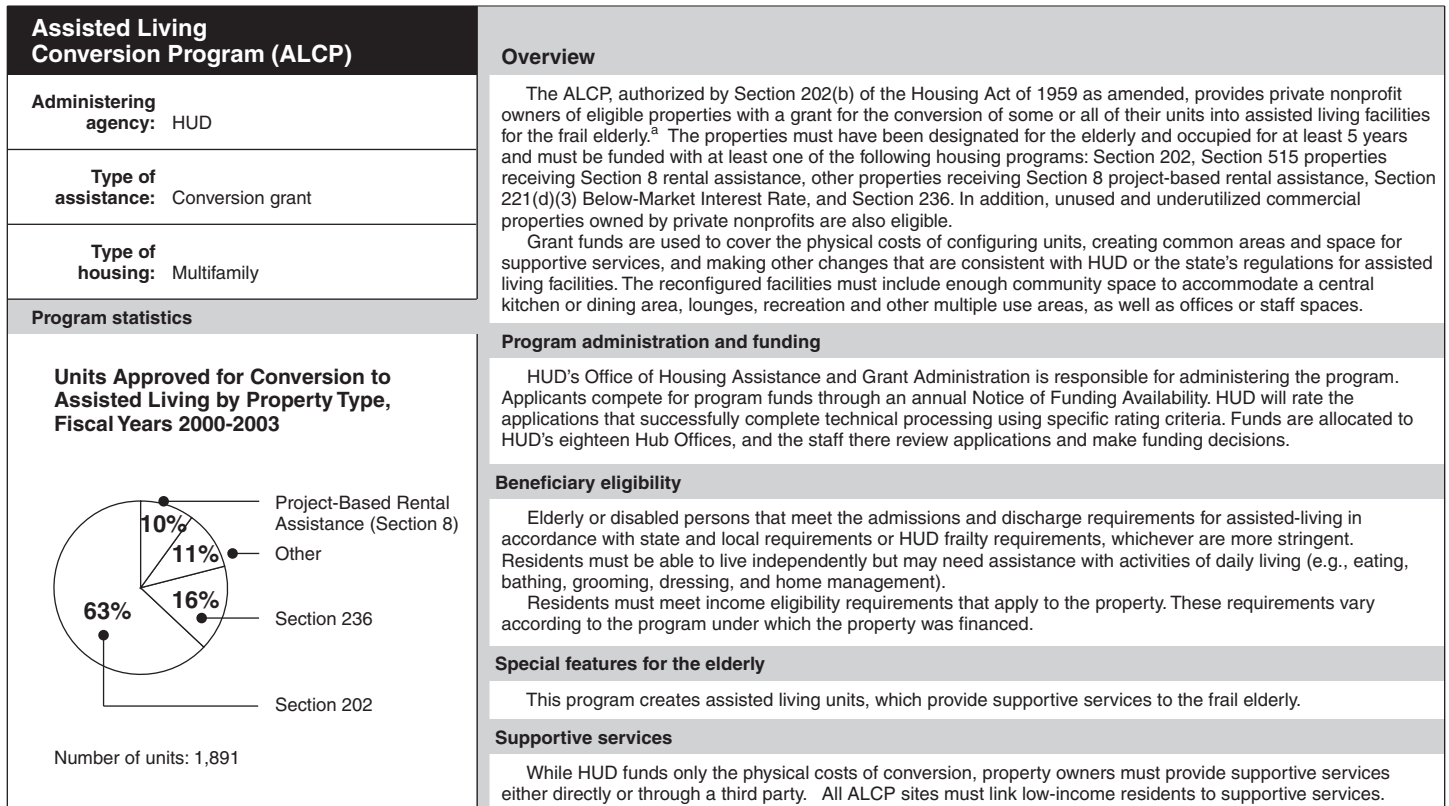
Figure 3: Section 202 Supportive Housing for the Elderly Description



Source: GAO analysis of program information and HUD data.

^aElderly units are designated for occupancy by the elderly. Elderly or nonelderly households may occupy nonelderly units. Elderly households had an elderly head, cohead, or spouse, regardless of whether the unit was designated for the elderly. The number of households was less than the number of units because HUD only had occupancy data on households receiving project-based rental assistance.

Figure 4: Assisted Living Conversion Program Description



Source: GAO analysis of program information and HUD data.

^aAssisted living facilities are designed to accommodate the frail elderly and persons with disabilities who can live independently but need assistance with activities of daily living. These facilities must provide supportive services such as personal care, transportation, meals, housekeeping, and laundry.

Figure 5: Section 232 and 232/223(f) Mortgage Insurance Description

Section 232 and 232/223(f) Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Board and Care Homes, and Assisted Living Facilities													
Administering agency: HUD	Overview The Section 232 program provides mortgage insurance for the construction or substantial rehabilitation of: <ul style="list-style-type: none"> • Nursing homes—facilities that provide skilled nursing care and have 20 or more beds, • Intermediate care facilities—facilities that provide minimum but continuous care and have 20 or more beds, • Board and care homes—facilities that provide room, board, and continuous protective oversight and have at least 5 accommodations (bedrooms with a maximum of 4 people each), and • Assisted living facilities—facilities with 5 or more units designed for frail elderly persons who need assistance with at least 3 activities of daily living. The Section 232/223(f) program insures the refinancing or purchase of similar facilities that do not require substantial rehabilitation. Under both programs, the facilities must be licensed by appropriate state or local agencies. A responsible state agency must certify that nursing homes and intermediate care facilities are needed, generally by providing a “certificate of need.” Under the Section 232 program, HUD insures up to 90 percent of a facility’s appraised value (95 percent for nonprofit borrowers) for new construction or substantial rehabilitation. Under Section 232/223(f), HUD insures up to 85 percent of the value (90 percent for nonprofit borrowers). In the event of default, HUD pays the lender the unpaid principal amount and related charges.												
Type of assistance: Mortgage insurance													
Type of housing: Nursing homes, intermediate care facilities, board and care homes, and assisted living facilities													
Program statistics	Program administration and funding HUD national and field office staff administer the programs. HUD approves and monitors lenders that underwrite and service the loans. The lenders submit project sponsors’ applications to HUD field office staff, who review the applications for compliance with HUD guidelines and standards.												
Section 232 Properties by Facility Type, as of April 2004^a <table border="1"> <caption>Section 232 Properties by Facility Type, as of April 2004^a</caption> <thead> <tr> <th>Facility Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Nursing homes</td> <td>70%</td> </tr> <tr> <td>Assisted living</td> <td>21%</td> </tr> <tr> <td>Board and care</td> <td>6%</td> </tr> <tr> <td>Unknown</td> <td>2%</td> </tr> <tr> <td>Combination</td> <td>1%</td> </tr> </tbody> </table> <p>Number of properties: 1,807</p>	Facility Type	Percentage	Nursing homes	70%	Assisted living	21%	Board and care	6%	Unknown	2%	Combination	1%	Beneficiary eligibility This program is intended for elderly and disabled residents. There are no income requirements.
Facility Type	Percentage												
Nursing homes	70%												
Assisted living	21%												
Board and care	6%												
Unknown	2%												
Combination	1%												
	Special features for the elderly Assisted living facilities are intended for frail elderly residents.												
	Supportive services The level of services varies according to the type of facility, but all facilities insured under this program provide supportive services to residents, ranging from meal services to protective oversight and skilled care.												

Source: GAO analysis of program information and HUD data.

^aCombination refers to properties that featured multiple facility types. Unknown refers to properties where data on facility type were unavailable. HUD did not have sufficient data to determine the total number of beds or units in all properties. Approximately 16,972 units were designated for the elderly.

Figure 6: Section 515 Rural Rental Housing Loan Description

Section 515 Rural Rental Housing Loan													
Administering agency: USDA	Overview The Section 515 loan program, authorized by the Housing Act of 1949 as amended, was first implemented in 1962. Section 515 loans are made directly to individuals or organizations to construct, or to purchase and substantially rehabilitate, multifamily rental or cooperative housing and recreational facilities in rural communities. Section 515 loans also fund independent living facilities, such as congregate housing and group homes for elderly or disabled families. Tenants eligible to live in properties built with these loans may also receive rental assistance through HUD's Project-Based Section 8 program or USDA's Section 521 program.												
Type of assistance: Direct loans													
Type of housing: Multifamily													
Program statistics													
Section 515 Units and Households, as of May 2004^a													
<p>Number in thousands</p> <table border="1"> <caption>Section 515 Units and Households, as of May 2004^a</caption> <thead> <tr> <th>Category</th> <th>Elderly (thousands)</th> <th>Nonelderly (thousands)</th> <th>Total (thousands)</th> </tr> </thead> <tbody> <tr> <td>Units</td> <td>150</td> <td>300</td> <td>450</td> </tr> <tr> <td>Households</td> <td>150</td> <td>260</td> <td>410</td> </tr> </tbody> </table> <p>Units Households</p> <p>Legend: Nonelderly Elderly</p>		Category	Elderly (thousands)	Nonelderly (thousands)	Total (thousands)	Units	150	300	450	Households	150	260	410
Category	Elderly (thousands)	Nonelderly (thousands)	Total (thousands)										
Units	150	300	450										
Households	150	260	410										
Program administration and funding													
Originally, Section 515 funding was distributed to each state based on the state's percentages of the national: rural population, number of rural occupied substandard units, and number of rural families with incomes below poverty level. This system was replaced by a national competition, which is announced through a Notice of Funding Availability. Applicants apply to build developments in designated areas. State USDA offices accept, review, score, and rank loan applications, and USDA's national office makes final decisions on requests and distributes funds. Developments cannot be granted more than \$1 million each, and states cannot receive a total of more than \$2.5 million each year. Loans have a maximum repayment period of 30 years, with a 50-year amortization.													
Beneficiary eligibility													
Families with very low, low, or moderate incomes.													
Special features for the elderly													
In determining eligibility, adjusted income, and rent, elderly families receive the following deductions from their annual income: \$400 and certain medical expenses. Owners can designate developments for the elderly.													
Supportive services													
Not required except for congregate housing, which must provide meals, transportation, housekeeping, personal services, and recreational and social activities. Section 515 loan funds cannot be used to pay for supportive services. Owners of congregate housing properties must seek other funding sources, such as HUD's Congregate Housing Services grant program.													

Source: GAO analysis of program information and USDA data.

^aElderly units are designated for occupancy by the elderly or disabled. Elderly or nonelderly households may occupy nonelderly units. Elderly households had an elderly head, cohead, or spouse, regardless of whether the unit was designated for the elderly.

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