Deputy Assistant Secretary for Intergovernmental Affairs and Public Engagement (HUD IGAPE) Francey Youngberg

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National Conference of State Legislatures (NCSL)
Presentation to NCSL Labor and Economic Development Committee

“Is the American Dream Still Possible?”
U.S. Department of Housing and Urban Development

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.
• FY2012 budget: $48 Billion;
• Employees: 9,848; 65% are in the field.
• Field operation: 10 regions, with 10 regional headquarters and 70 field offices.
• HUD has 23 program offices.
• Additional information on your Regional Administrator can be found at: www.hud.gov/localoffices.cfm
IGAPE Organization – External Coordination

- White House Office of Intergovernmental Affairs
- White House Office of Faith-Based and Neighborhood Partnerships (The Partnership Center)
- Other Federal Agencies (Interagency)
- White House Office of Public Engagement
- External Stakeholders and Nonfederal Elected Officials

HUD IGAPE
IGAPE’s Key Goals and Objectives (External Stakeholders)

**Engage and Broaden the Universe of Stakeholders**
- Serve as “Front Door” to HUD (representation, attend events, connect groups to program offices)
- Tailor methods of engagement, avoid “one size fits all”
- Be more inclusive of non-traditional, underserved and “beyond the beltway” stakeholders

**Build Support and Buy-In from Key Stakeholders and Public**
- Focus stakeholder relationships around HUD legislative and policy priorities

**Increase Dialogue and Incorporate Feedback into Policy Formation**
- Create and disseminate user-friendly communication materials
- Be responsive to stakeholder concerns and needs
- Ensure stakeholder policy input and feedback are taken into consideration
<table>
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<tr>
<th>Major HUD Offices</th>
<th>FY2012 Budget Requests</th>
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<td>Community Planning and Development (CPD)</td>
<td>$3.8 billion for the Community Development Fund, which will provide funding to state and local governments for infrastructure improvements, to build and rehab affordable housing, and create and retain jobs. The largest portion comes through the CDBG Entitlement and CDBG State Programs ($3.7 billion requested). Neighborhood Stabilization projects have invested $7 billion in the nation’s hardest-hit markets, impacting 100,000 properties.</td>
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<td>Public and Indian Housing (PIH)</td>
<td>$19.2 billion for the Housing Choice Voucher program to help more than 2 million extremely-low to low income families with rental assistance to live in decent neighbors of their choice. Project-Based rental assistance has also requested $9.4 billion to preserve approximately 1.3 million affordable units.</td>
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<td>Housing (Including FHA)</td>
<td>FHA financing was used by 38% of all homebuyers, 60% of African-American homebuyers, and 61% of Hispanic families who purchased homes in 2009. 30% of first-time homebuyers in 2009 used FHA financing. FHA expects to insure $218 billion in mortgage borrowing in FY2012. Through its Section 242 mortgage insurance program, FHA has supported and strengthened hundreds of hospitals and communities across the country.</td>
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<td>Fair Housing and Equal Opportunity (FHEO)</td>
<td>The Fair Housing Assistance Program provides funding for 100 government agencies, including 37 states, 62 localities, and the District of Columbia, to enforce laws that prohibit housing discrimination. FHEO administers laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, age, disability, and familial status. There is pending legislation that would extend this to sexual orientation.</td>
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“The foreclosure crisis rolled back 15 years of gains in some urban cores. But with your help, this Administration is pushing back. President Obama and I are committed to making sure families that try to do the right thing – the responsible thing – have every opportunity to stay in their homes.”

-- HUD Secretary Shaun Donovan
Stabilizing the Housing Market – Is the American Dream Still Possible?

FHA – a critical tool in the HUD toolbox:
- In the last 3 years, FHA has:
  - helped over 2 million families buy a home, 80% were first-time buyers
  - helped 1.5 million homeowners refinance loans

Keeping Families in their Homes:
- April 2009-May 2011
  - 1.6 million HAMP trial modification starts
  - 938,000 FHA loss mitigation and early delinquency interventions
  - Housing counseling
  - Emergency Homeowner Loan Program (EHLP)

July Housing Scorecard:
- Fewer homeowners fell behind on their mortgages in the month of June
- Slight improvement in home prices
- Decline in mortgage defaults as HUD foreclosure prevention programs reach more borrowers
HUD ARRA – Is the American Dream Still Possible?

**Investment:** helping America's hardest-hit communities

- Interagency collaboration
- Tax Credit Assistance Program
- Neighborhood Stabilization Program
- Public Housing Capital Funds

**Competition**

- Building on *Race to the Top* model
- 25% of HUD’s ARRA funds distributed through competition
- 99% of HUD’s ARRA programs are obligated
Neighborhood Stabilization Program (NSP):

- Reclaiming vacant properties and turning them into the quality, affordable housing that families need
- Has provided communities with $7 billion
- Reduced vacancy rates in neighborhoods by as much as 50 percent
## HOME

- **Purpose:** To expand the supply of decent, safe, sanitary, and affordable housing.

- **Recipients:** Participating Jurisdictions (PJs) (States, urban counties, metropolitan cities, consortia).

- **Number of Grantees:** 642

- **Eligible Activities:** HOME funds can only be used to support affordable housing activities—Four eligible activities—new construction, rehabilitation, homeownership assistance, tenant-based rental assistance.

- **Metro/Rural Fund Usage:** HUD estimates that, in recent years, $500 million or approximately 27 percent of each HOME appropriation is used to provide housing in rural areas.

## CDBG

- **Purpose:** To improve the living environment for low and moderate income families.

- **Recipients:** Entitlement local governments (metro cities and urban counties) and States

- **Number of Grantees:** 1,191 (for 46 percent of these grantees, CDBG is the only formula funding they receive)

- **Eligible Activities:** 25 eligible activities, which can be grouped into five categories: economic development, acquisition, public facilities, public services, and housing. Approximately one-third of annual expenditures are used for public facilities.

- **Metro/Rural Fund Usage:** $2.754 billion of CDBG funds in FY 2010 (70%) were directly allocated to entitlement communities in FY 2010. Approximately $840 million (21%) of FY 2010 CDBG funding was directed to rural areas.
The HOME Program

Has leveraged over $80 Billion since its inception

Successful Completion of HOME Projects

Strong oversight of HOME Projects
Committed to Ending Homelessness – Is the American Dream Still Possible?

- Making Federal Investments Work: $1.6 billion in Continuum of Care grants awarded this year

- Making an important difference: Recovery Act’s Homeless Prevention and Rapid Re-housing Program (HPRP)

- *Opening Doors*—the first federal strategic plan to prevent and end homelessness

- Interagency Partnerships
  - FY2010, HUD has awarded approximately 10,186 housing vouchers for homeless Veterans through the HUD-VASH program
Connecting Neighborhoods to Opportunity – Is the American Dream Still Possible?

**Choice Neighborhoods**
- Allows Communities to transform public housing and connect that housing to jobs and opportunity
  - More on that in a minute

**RAD**
- Rental Assistance Demonstration to bring private capital to over a quarter-million publicly-owned homes.
  - More on that in a minute

**Strong Cities, Strong Communities:**
- On July 11, the Obama Administration unveiled a pilot initiative for six cities around the country to address regional challenges
Secretary Donovan’s Newer Priorities Include....

• The Office of Sustainable Housing and Communities (OSHC) is responsible for managing two competitive grant programs that provide funding to communities to develop long-term plans that link housing, transportation and other fundamental economic levers.
  
  – In October 2010, HUD awarded $138 million in two Sustainable Communities Initiative grant programs: the Sustainable Community Regional Planning Grants ($100m) and Community challenge Grants ($40m).
    • The two grant programs funded 45 regional planning processes and 42 local and community planning projects in 79 regions across the nation in urban, suburban and rural places.
    • 72 million Americans live in the 45 urban and rural regions that received Sustainable Communities regional planning grants.
  
  – On July 28th, 2011 HUD announced the availability of $95 million to support sustainable local initiatives through the FY 2011 Regional Planning and Community Challenge Planning Grant Programs.
    • This year’s Community Challenge grant program has designated $3 million for jurisdictions with populations under 50,000; and the Regional Planning Grant program will set aside $17.5 million for regions under 200,000.

• For more information about the Office of Sustainable Housing and Communities, visit: www.hud.gov/sustainability
Secretary Donovan’s Newer Priorities Include….

• **Choice Neighborhoods**
  – Choice Neighborhoods supports local communities to transform distressed neighborhoods into sustainable, mixed-income neighborhoods with the affordable housing, safe streets, and good schools every family needs, by:
    • **Transforming Housing**
      – Building off of HOPE VI, Choice Neighborhoods provides competitive grants that primarily fund the transformation of HUD-assisted public and privately-owned multifamily housing.
      – Urban Institute estimated that, with gains to neighboring property values and reduced operating costs and crime, one typical HOPE VI redevelopment could save taxpayers $22 million more than if HUD did nothing.
    • **Transforming Neighborhoods**
      – A portion of Choice Neighborhoods funding is available to leverage local partnerships and provide seed money to support community assets central to the sustainability of the neighborhood and its families, such as early childhood education, health centers, transportation, and jobs.
    • **Supporting Local Solutions**
      – Mayors, public housing authorities, non-profits and private developers can directly apply for these grants.
      – During FY10 and FY11, Choice Neighborhoods was funded at $65 million as a demonstration program within HOPE VI. 17 planning grants were awarded on March 18, 2010.
  
• **For more information, visit:** [www.hud.gov/cn/](http://www.hud.gov/cn/)
Rental Assistance Demonstration (RAD)

- **$200M FY12 Budget Request**
- **Substantial capital needs**: $26B in public housing nationwide
- **Voluntary conversion** of units in the Public Housing, Moderate Rehabilitation, and Rent Supplement/Rental Assistance programs to long-term Section 8 contracts
- **Leveraging** federal funds with private capital will provide funding for up-front repair needs
  - Texas leveraging potential: $1.2B in private investment by converting assistance for state’s 58,000 units of public housing
- **Collaborative program development** with 20+ stakeholders and Congress
Transforming the Way it Does Business to Keep the American Dream Alive