

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

President Obama's FY2012 HUD Budget request is \$48 billion and includes funding to support foreclosure programs, rental housing assistance, housing counseling, homeless assistance programs and interagency collaborations to support job creation, economic development and sustainable communities. The budget request also includes a reduction of funding for the Community Development Block Grant Program by \$300 million. HUD programs such as Brownfields Redevelopment, Economic Development Initiative Grants, Revitalization of Severely Distressed Public Housing (HOPE VI), Neighborhood Stabilization Program and Rural Housing and Economic Development are proposed for termination.

Budget Highlights

Choice Neighborhoods

The Choice Neighborhoods initiative provides assistance to high-poverty neighborhoods where HUD-assisted public and privately-owned housing is located. The initiative would provide funding for five to seven neighborhoods with grants that primarily fund the preservation, rehabilitation and transformation of these communities. The budget proposal provides for \$250 million for the Choice Neighborhoods initiative.

Community Development Fund

The Community Development Fund provides assistance to state and local governments, as well as other entities for economic and community development activities. There are several programs that fall under the Community Development Fund which provides funding for the Community Development Block Grant (CDBG) and other programs listed below.

- Community Development Block Grant (CDBG): The CDBG provides over 1,200 flexible annual formula grants to state and local governments for community and economic development activities. Seventy percent of CDBG funds are allocated to local governments and thirty percent to state government. The President's FY2012 budget proposes \$3.7 billion in funding a decrease of almost \$300 million from 2010.
- Rural Innovation Fund: The President's budget proposal includes \$25 million for the Rural Innovation Fund to provide grants to a range of entities for use to address housing problems in distressed rural areas.
- Sustainable Communities: The FY2012 Budget requests \$150 million for the Sustainable Communities Initiative, which is a multi-agency partnership to develop comprehensive housing and transportation plans that result in sustainable development, reduced greenhouse gas emissions, and increased transit accessible housing. The Administration would like for this initiative to be an independent account and would like to establish a new Office of Sustainable Housing Communities.

HOME Investment Partnership Program

The HOME Investment Partnership Program provides federal block grants to states and localities that communities use to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. The President's FY2012 budget proposes almost \$1.7 billion in funding a decrease of about \$157 million from 2010.

Housing Trust Fund

The Housing Trust Fund would provide grants to states to increase and preserve the supply of affordable rental housing and homeownership opportunities for extremely low-income families. The President's FY2012 budget proposes \$1 billion for this program to be distributed by formula to states to target resources to areas with substantial needs.

Homeless Assistance Grants

The FY2012 Budget requests about \$2.7 billion for a wide range of activities to assist homeless persons and prevent future homelessness.

Home Ownership Preservation Equity Fund Program Account (HOPE for Homeowners)

The HOPE for Homeowners program was created by the Housing and Economic Recovery Act of 2008 to help homeowners in risk of default and foreclosure. The program assists these homeowners with refinancing their current mortgage loans into a new mortgage insured by the FHA. The President's budget requests \$2 million for this program which is an increase of \$1 million from 2010.

Program	2010 Actual (in millions)	Continuing Resolution (in millions)	FY2012 (in millions)
Brownfields Redevelopment	\$18	\$18	\$0
Choice Neighborhoods	\$0	\$0	\$250
Revitalization of Severely Distressed Public Housing (HOPE VI)	\$198	\$200	\$0
Community Development Funds	\$4,505	\$4,450	\$3,804
- Community Development Formula Grants	\$3,872	\$4,625	\$3,691
- Economic Development Initiative Grants	\$186	\$354	\$0
- Rural Innovation Fund	\$0	\$25	\$25
- Sustainable Communities	\$0	\$148	\$150
HOME Investment Partnership	\$1,807	\$1,825	\$1,650
Housing Trust Fund	\$0	\$0	\$1,000
Neighborhood Stabilization Program	\$0	\$1,000	\$0
Homeless Assistance Grants	\$1,852	\$1,865	\$2,372
Rural Housing and Economic Development	\$16	47	\$0
HOPE for Homeowners	\$1	\$2	\$2

Department of Housing and Urban Development FY2012 Budget Online Versions:

- <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/hud.pdf>
<http://portal.hud.gov/hudportal/documents/huddoc?id=fy2012budget.pdf>