

**COMMUNITY PLANNING AND DEVELOPMENT
SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM
2019 Summary Statement and Initiatives
(Dollars in Thousands)**

SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2017 Appropriation	\$54,000	\$55,700	...	\$109,700	\$50,000	\$44,318
2018 Annualized CR	54,000	59,700	-\$367 ^a	113,333	53,700	47,202
2019 Request	<u>59,633</u>	...	<u>59,633</u>	<u>54,000</u>	<u>53,123</u>
Change from 2018	-54,000	-67	+367	-53,700	+300	+5,921

a/ Public Law 115-56 requires a reduction of 0.6791 percent from the fiscal year 2017 enacted budget authority.

1. Program Purpose and Fiscal Year 2019 Budget Overview

The Self-Help Homeownership Opportunity Program (SHOP) account includes funding for SHOP, Capacity Building for Community Development and Affordable Housing (known as Section 4), rural capacity building, and a pilot home modification and rehabilitation program for disabled and low-income veterans. Stagnant incomes and complex housing market dynamics, including local land use, zoning, and other regulations that create barriers to housing development, all contribute to significant housing cost burden for households across the country, especially for lower income families. Further exacerbating this problem is the current fragmented, overlapping, and inefficient system for funding affordable housing production, as well as challenges to measuring collective performance. Many of these issues cannot be solved by the Federal Government or the subsidization of housing construction alone. Therefore, the Department devolves affordable housing activities to State and local governments who are better positioned to comprehensively address the array of unique market challenges, local policies, and impediments that lead to housing affordability problems.

SHOP. The SHOP program awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure for affordable non-luxury housing for low-income persons. As part of the program, homebuyers must be willing to contribute sweat equity toward the construction or rehabilitation of their homes.

Section 4. The Capacity Building for Affordable Housing and Community Development Program, also known as the Section 4 program, was originally authorized under Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) to enhance the

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capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out community development and affordable housing activities that benefit low-income persons.

Rural Capacity Building. The Rural Capacity Building Program awards funds to national organizations to enhance the capacity and ability of local governments, Indian tribes, housing development organizations, rural CDCs, and rural CHDOs to carry out community development and affordable housing activities that benefit low- and moderate-income families and persons in rural areas.

Veterans Housing Rehabilitation and Modification Pilot Program. The Veterans Housing Rehabilitation and Modification Pilot Program awards grants to non-profit veterans service organizations to rehabilitate and modify the primary residence of disabled or low-income veterans. This program is duplicative of Department of Veterans Affairs programs.

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Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2017 Budget Authority</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2017 Obligations</u>	<u>2018 Annualized CR</u>	<u>2017 Carryover Into 2018</u>	<u>2018 Total Resources</u>	<u>2019 Request</u>
Self-Help Homeownership Opportunity Program ..	\$10,000	\$10,000	\$20,000	\$10,000	\$9,932	\$10,000	\$19,932	...
Capacity Building	35,000	35,000	70,000	35,000	34,762	35,000	69,762	...
Capacity Building for Rural Housing	5,000	5,000	10,000	5,000	4,966	5,000	9,966	...
Veterans Home Rehabilitation and Modification Pilot Program	<u>4,000</u>	<u>5,700</u>	<u>9,700</u>	...	<u>3,973</u>	<u>9,700</u>	<u>13,673</u>	...
Total	54,000	55,700	109,700	50,000	53,633	59,700	113,333	...