



U.S. Department of Housing and Urban Development

Under the President’s leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

Fiscal Year 2017 Funding Highlights:

The President’s FY 2017 Budget provides the U.S. Department of Housing and Urban Development (HUD) with \$48.9 billion in gross discretionary funding and \$11.3 billion in new mandatory spending over ten years, with an emphasis on supporting 4.5 million households through rental assistance; increasing homeless assistance; supporting tribal communities and providing opportunities to Native American youth; and making targeted investments in communities to help revitalize high-poverty neighborhoods and improve housing affordability. This includes:

- I. Providing over \$38 billion in rental housing assistance to support 4.5 million low-income families through the Housing Choice Voucher, Project-Based Rental Assistance, and Public Housing Programs;
- II. Ending family and chronic homelessness, and continuing to make progress across all targeted populations, by investing \$11 billion in mandatory spending and \$2.8 billion in discretionary spending for targeted homeless assistance;
- III. Improving mobility for low-income families to access higher opportunity areas by investing \$15 million for a Mobility Counseling Demonstration, and ensuring that Public Housing Authorities (PHAs) have sufficient resources to promote mobility by increasing PHA administrative fees to a fully-funded level of \$2.1 billion;
- IV. Investing \$200 million to transform neighborhoods with distressed HUD-assisted housing and concentrated poverty into opportunity-rich, mixed-income neighborhoods through the Choice Neighborhoods program;
- V. Providing \$786 million to address the housing and community development needs of Native Americans, including \$20 million targeted to Native youth;
- VI. Narrowing the digital divide for students and families in HUD-assisted housing through actions that include a strategic investment of \$5 million for the ConnectHome initiative;
- VII. Preserving affordable housing units through the Rental Assistance Demonstration program by providing \$50 million and a targeted expansion to include certain properties that provide housing for the elderly;
- VIII. Investing \$300 million in local community efforts to reduce barriers to housing development and increase housing affordability; and
- IX. Increasing job training and financial incentives for employment for public housing and Native American households through Jobs-Plus, an evidence-based program funded at \$35 million.

Fiscal Year 2017 Budget Reforms:

- I. Enhances local decision making, improves program accountability, and provides more options for regional coordination and planning through a series of reforms to the Community Development Block Grant (CDBG) program.
- II. Updates the formula of the Housing Opportunities for Persons with AIDS (HOPWA) program by using HIV incidence rates and adjusting for fair market rents and poverty rates to better reflect the current nature and distribution of the epidemic.

The Department of Housing and Urban Development (HUD) is focused on helping Americans to secure and maintain quality, affordable housing, ending homelessness, making our communities more resilient from natural disasters and protecting people from housing discrimination. HUD's

work is critical to the Administration's efforts to strengthen communities, bolster the economy, and improve the quality of life of the American people. The Budget provides \$48.9 billion in discretionary funding for HUD programs to support these efforts, \$1.9 billion above the 2016 enacted level. Funding is prioritized to maintain assistance to low-income families currently served by HUD programs, expand assistance to targeted vulnerable populations, including the homeless and Native Americans, and revitalize neighborhoods with distressed HUD-assisted housing and concentrated poverty. The Budget also proposes \$11.3 billion in new mandatory spending to reach and maintain the goal of ending family homelessness by 2020, and to support local policies, programs, and regulatory initiatives that lead to a more diverse housing supply and improve housing affordability.

HUD's Fiscal Year 2017 Budget Prioritizes Ending Family Homelessness and Increasing Opportunity for Resident of Low-Income Neighborhoods.

- I. **Ends family homelessness and chronic homelessness, and continues to make progress across all targeted populations.** The Budget provides \$11 billion in mandatory spending and \$112 million in discretionary spending in housing vouchers and rapid rehousing to reach and maintain the goal of ending homelessness among families with children by 2020. In addition, the Budget maintains programs dedicated to ending veterans homelessness, and within the \$2.7 billion provided for Homeless Assistance Grants, the Budget maintains existing projects, creates 25,500 new units of permanent supportive housing to end chronic homelessness, and invests \$25 million in new projects targeted to youth experiencing homelessness.
- II. **Provides Opportunity for Vulnerable Families through Housing Assistance.** The Budget provides funding for rental housing assistance to support 4.5 million low-income families, including \$20.9 billion for the Housing Choice Voucher program to help approximately 2.2 million low-income families afford decent housing in neighborhoods of their choice. The Budget also includes \$10.8 billion for the Project-Based Rental Assistance program, which supports 12 months of funding for rental assistance contracts with public and private owners who maintain affordable rental housing for 1.2 million families, and \$6.45 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families.
- III. **Improves mobility through the Housing Choice Voucher program.** The Budget provides \$2.1 billion in Public Housing Authority (PHAs) administrative fees using a new evidence-based formula that not only more accurately reflects the actual cost of running the program, but ensures that PHAs have sufficient resources to provide low-income families greater access to opportunity areas. In addition, the Budget requests \$15 million for a new mobility counseling demonstration that is designed to help HUD-assisted families move and stay in higher-opportunity neighborhoods. A portion of the funding will also support an evaluation to measure the impact of the counseling pilot to further inform the policy process and design.
- IV. **Expands Opportunity in High Poverty Communities.** The Budget invests \$200 million to transform neighborhoods with distressed HUD-assisted housing and concentrated

poverty into opportunity-rich, mixed-income neighborhoods through the Choice Neighborhoods program. Over 14.5 million Americans live in neighborhoods with a poverty rate of 40 percent or more. Many of these neighborhoods struggle with high crime, failing schools, and the impact of decades of disinvestment. Consistent with the Administration's place-based approach to helping communities address their self-identified priorities, Choice Neighborhoods grantees develop a comprehensive neighborhood plan that addresses the broader needs of the community, including public safety, local schools, economic development, and other critical community improvements. With their 2010 through 2015 grant awards, Choice Neighborhoods grantees have leveraged over \$3.69 billion, including new and refocused funds from private investors, banks, cities, universities, foundations, and a range of local partners. For every \$1 in Choice Neighborhoods implementation funding, an additional \$7.38 is leveraged in the local community.

- V. **Improves Employment Outcomes for HUD-Assisted Households.** The Budget provides \$35 million for Jobs-Plus to help public housing residents secure employment and increase their earnings through job training and financial incentives. The Budget also provides \$75 million for the Family Self-Sufficiency program to link HUD-assisted households with job training, child care, transportation, financial literacy and other supportive services, and help them build assets through interest-bearing escrow accounts.

- VI. **Supports Local Efforts to Improve Housing Affordability and Economic Opportunity.** The Budget proposes \$300 million in mandatory funds for a new Local Housing Policy Grants program. This program will provide grants to localities and regional coalitions to support new policies, programs or regulatory initiatives that create a more elastic and diverse housing supply, and in turn, increase economic growth, access to jobs and improve housing affordability. These funds will support a range of transformative activities in communities across the nation that reduce barriers to housing development, increase housing supply elasticity and affordability, and demonstrate strong connections between housing, transportation, and workforce planning.

- VII. **Provides Communities with New Flexibilities to Help Families Achieve Self-Sufficiency.** The Budget also includes a new initiative, the Upward Mobility Project, which will allow up to ten communities, States or consortia of States and communities to combine funds from four existing block grant programs designed to promote opportunity and economic development and reduce poverty to test and validate promising approaches to help families become more self-sufficient, improve children's outcomes, and revitalize communities so they can provide more opportunities for their residents. The funding streams that States and communities can apply to use – including the Department of Health and Human Services' (HHS) Social Services Block Grant and Community Services Block Grant, HUD's Community Development Block Grant, and HOME Investment Partnerships Program – share a common goal of promoting opportunity and reducing poverty. Participating communities will also be eligible to receive HHS funding up to \$300 million per year (\$1.5 billion in new funding over five years), to combine with the added flexibility with currently provided resources.

VIII. **Invests in Programs that Serve Native Americans, including Native Youth.** The Budget invests \$700 million for Native American Housing Block Grants, \$50 million above the 2016 enacted level, to address severe overcrowding and substandard housing conditions in Indian Country. An additional \$20 million is provided for projects to improve outcomes for Native youth, such as the construction or renovation of community centers, health clinics, transitional housing, pre-school/Head Start facilities and teacher housing, and up to \$5 million for Jobs-Plus will be used to implement a demonstration of the Jobs-Plus model in Indian Country to boost employment and earnings.