April 10, 2013

**President Asks for $1 billion for National Housing Trust Fund Again, Provides Funding for Rental Assistance**

 ***Request for Mandatory Funding for NHTF***

The President’s budget request to Congress today includes $1 billion in mandatory funding for HUD’s National Housing Trust Fund. President Obama has requested $1 billion in mandatory funding for the NHTF in his last four budgets but has not specified sources. The NHTF would not be funded on the discretionary side of the budget where it would compete with HUD’s housing programs for funding. While $1 billion is not sufficient to meet the need for homes affordable to the lowest income households, it is important that the White House continue to show support for the National Housing Trust Fund to meet the housing needs of the nation’s lowest income households.

***Request for Discretionary Spending for HUD, USDA Rental Housing Programs***

On the discretionary side of the budget, the request for HUD programs partially restores funds to programs cut in recent years and attempts to maintain funding for existing tenants. However, the budget proposes significant cuts to block grant programs.

The request includes increases over the FY13 enacted level of $1 billion for Tenant-Based Rental Assistance, nearly $1 billion for Project-Based Rental Assistance, $300 million for Public Housing Operating, and $200 million for Public Housing Capital. These programs were level or underfunded in FY13 and FY12 so the proposed increases would partially restore the current deficit of funding.

The President also requests an increase of more than $350 million for Homeless Assistance.

The President’s budget request is stronger for rental assistance than for housing production. The budget cuts the HOME Investment Partnerships Program, HUD’s primary currently-funded production program, to below the $1 billion mark.

The request for USDA Rural Housing programs is roughly level with the FY13 pre-sequestration funding amounts for the rental housing programs serving extremely low income households.

The request also includes proposals, both new and recycled from the FY13 request, related to the Rental Assistance Demonstration, a Jobs Plus Initiative, a CORE program to replace ROSS, flexibility in use of public housing capital and operating funds, inspections, fair market rent changes, flat rents, Moving To Work expansion, permanent supportive housing, the family self-sufficiency program, energy conservation, community service requirements, forming public housing consortia, and other proposals.

**Budget Request Specifics**

For housing production for extremely low income households, the Administration requests funding on the mandatory side of the budget:

* National Housing Trust Fund- $1 billion (Funding for the NHTF is separate from the HUD appropriations process.)

For the HUD rental housing programs serving extremely low income households, the Administration requests:

* Tenant Based Rental Assistance- $19.989 billion, up from $18.940 billion in FY13\*
* Project Based Rental Assistance- $10.272 billion, up from $9.340 billion in FY13
* Public Housing Operating- $4.6 billion, up from $4.262 billion in FY13
* Public Housing Capital- $2 billion, up from $1.875 billion in FY13
* Homeless Assistance- $2.38 billion, up from $2.033 billion in FY13
* Section 811- $126 million, down from $165 million in FY13
* Section 202- $400 million, up from $375 million in FY13

For HUD block grants, the Administration requests:

* HOME- $950 million, down from $1 billion in FY13
* CDBG Formula Grants- $2.798 billion, down from $2.948 billion in FY13

For rural rental housing, the Administration requests:

* Section 514- $24 million, up from $23 million in FY13
* Section 515- $28 million, down from $31 million in FY13
* Section 516- $14 million, up from $8 million in FY13
* Section 521- $1.015 billion, up from $907 million in FY13