

A NEW ERA OF RESPONSIBILITY: RENEWING AMERICA'S PROMISE

The U.S. Department of Housing and Urban Development 2010 Budget

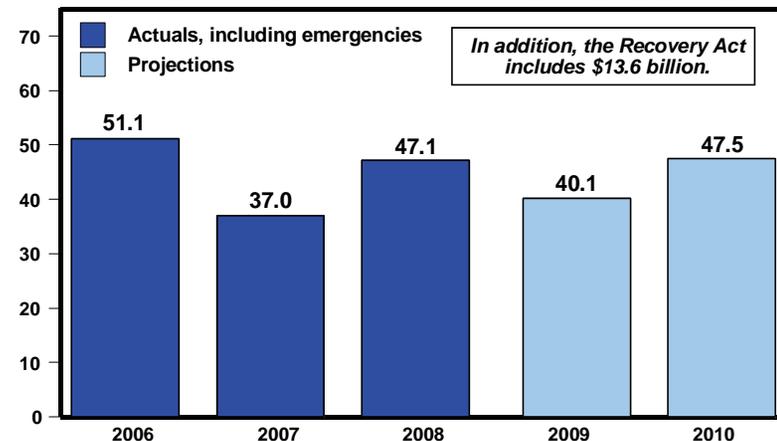
“From providing shelter to those displaced by Katrina to giving help to those facing the loss of a home to revitalizing our cities and communities, HUD’s role has never been more important. Since its founding, HUD has been dedicated to tearing down barriers in access to affordable housing -- in an effort to make America more equal and more just. Too often, these efforts have had mixed results. That is why we cannot keep doing things the old Washington way. We need to approach the old challenge of affordable housing with new energy and new ideas. We need to understand that the old ways of looking at our cities just won’t do. That means promoting cities as the backbone of regional growth by not only solving the problems in our cities, but seizing the opportunities in our growing suburbs, exurbs, and metropolitan areas.”

-- President Barack Obama

The Department of Housing and Urban Development (HUD) is committed to increasing homeownership and access to affordable housing free of discrimination, and to supporting innovative and sustainable community development. With a total allocation of \$47.5 billion, the President's fiscal year 2010 Budget restores and increases funding for many key HUD programs. The Budget meets the President’s commitment to fully fund the Community Development Block Grant (CDBG) program, while reforming the CDBG formula to better target distressed communities and promote the development of “Sustainable Communities.” It also increases funding for the Housing Choice Voucher program and the Project-Based Rental Assistance Program, and creates a new Choice Neighborhoods Initiative and Energy Innovation Fund. In light of the current Housing crisis, the Budget provides the initial funding for the Affordable Housing Trust Fund created last summer, as well as strengthens efforts to combat mortgage fraud and predatory lending. The HUD Budget is consistent with the President’s goal of eliminating funding for ineffective and duplicative programs like the Section 108 Community Development Loan Guarantees program and the American Dream Downpayment Initiative.

Department of Housing and Urban Development

Discretionary budget authority in billions of dollars, including emergency spending



Note: Supplemental funding designated as emergency for disaster and/or housing crisis-related activities is included in the totals -- \$17.1 billion for 2006, \$7 million for 2007, and \$9.5 billion for 2008.

The U.S. Department of Housing and Urban Development Budget Highlights

HELPING PEOPLE AFFORD SAFE, DECENT HOUSING

Provides funding for an Affordable Housing Trust Fund for the first time. The Budget requests \$1 billion to restore financing of the development, rehabilitation, and preservation of affordable housing for very low income residents through the Housing Trust Fund.

Increases funding for the Housing Choice Voucher program. To address the program's costly inefficiencies, the Administration will introduce legislative reforms to help fully utilize available funding, alleviate the administrative burdens on the Public Housing Authorities, and establish a funding mechanism that is transparent and predictable in order to serve more needy families. This program helps more than two million extremely low- to low-income families with rental assistance to live in decent housing in neighborhoods of their choice.

Increases funding for rental assistance. The Project-Based Rental Assistance program will preserve approximately 1.3 million affordable rental units through increased funding for contracts with owners of multifamily properties. This critical investment will assist low- and very low-income households in obtaining decent, safe and sanitary housing in private accommodations.

Combats mortgage fraud and precautionary practices. The Budget provides funds to combat mortgage fraud and predatory practices, and includes increased funding for fair housing enforcement. These resources will allow HUD to increase enforcement of mortgage and home purchase settlement requirements. Enhanced enforcement will create an environment in which home-buyers will be served with mortgage terms that are more easily understood and reliably honored by lenders.

BUILDING ECONOMIC OPPORTUNITY

Fully funds the Community Development Block Grant program. The Budget provides \$4.5 billion to ensure that communities continue to invest in and expand economic opportunities for low-income families. Also, modernizes the program through statutory reforms. Through a more effective formula, appropriate incentives and accountability measures, and a new Sustainable Communities Initiative, the Administration will revamp the CDBG program to better target funds to distressed communities and promote sustainable and economically viable communities.

Creates a new Choice Neighborhoods Initiative. The Budget includes funds for HUD to support a range of transformative interventions in neighborhoods of concentrated poverty. This new initiative would challenge public, private and nonprofit partners to identify neighborhood interventions that would have the largest return on Federal investments.

Creates a new Energy Innovation Fund. The Budget supports creation of an energy-efficient housing market -- including "retrofitting" of older, inefficient housing -- and catalyzes private-sector lending in the residential sector.