



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FISCAL YEAR 2013 PROGRAM AND BUDGET INITIATIVES
SUSTAINABLE COMMUNITIES AND DEVELOPMENT

In Fiscal Year 2013, HUD is requesting \$250 million to fund sustainable, community-driven solutions to creating communities of opportunity nationwide.

For too long, housing finance drove the development of homes in the least sustainable places—far away from jobs and schools, disconnected from transportation networks, while also increasing housing and transportation costs to the point where those two expenses now account for over 50 percent of many families' budgets. Due in large part to “silo-ed” investment strategies from the Federal government, many local governments attempted to address these challenges at the neighborhood scale rather than coordinating across regions. In addition, the nation's



rental assistance programs built, financed, and managed housing in a parallel universe from private housing, and discriminatory patterns of development trapped millions of families in neighborhoods of concentrated poverty and limited opportunity.

Families across the country in addition to business leaders, builders, developers, and elected officials have all echoed the same sentiment: Our communities need more housing choices. And they need the federal government to help them develop those choices by balancing how it invests in communities. With this budget, HUD continues its commitment to helping communities build their own “geographies of opportunity” – places that effectively connect people and families to jobs, transportation, quality public schools, and other key community assets. In partnering with communities to create locally-driven development initiatives, HUD will continue to help communities leverage Federal funds to strengthen regional economies, which are the heart of economic activity throughout the nation.

Central to providing more choices to families and to creating a more balanced federal housing strategy is the Partnership for Sustainable Communities, a landmark interagency effort between the Department of Transportation (DOT), the Environmental Protection Agency (EPA), and HUD. The Partnership is grounded by six Livability Principles that aim to improve the efficiency of federal programs to:

- *Provide more transportation choices* – Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.
- *Promote equitable, affordable housing* – Expand location- and energy-efficient housing choices for people of all ages, incomes, and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- *Enhance economic competitiveness* – Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.
- *Support existing communities* – Target federal funding toward existing communities to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.
- *Coordinate policies and leverage investment* – Align federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including smart energy choices like locally generated renewable energy.
- *Value communities and neighborhoods* – Enhance the unique characteristics of all urban, suburban and rural communities by investing in healthy, safe and walk-able neighborhoods.

HUD is committed to putting these principles into practice—and more choice—in the Department's core community development work, including rental assistance, homeownership, capital grants, and other programs.



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SUSTAINABLE HOUSING AND COMMUNITIES

The Office of Sustainable Housing and Communities (OSHC) was established in 2010 with a mission to manage two competitive grant programs that provide funding to communities to develop long-term plans that link housing, transportation and other fundamental economic levers. OSHC is also charged with working within HUD to support program leadership and staff as they align their programs with the Livability Principles. OSHC represents HUD on the Sustainable Communities Partnership that is working with DOT and EPA to align resources, reinforce local and regional development strategies to support economic growth, and reduce bureaucratic barriers so that communities can meet the demand for more sustainable communities. OSHC is also responsible for coordinating HUD's initiatives to expand energy efficiency and renewable energy in affordable housing, through financing, technical assistance and industry partnerships. HUD's sustainable housing strategy utilizes market-based approaches and leverages its existing authority to support private sector investment and consumer choice.

In FY2013, HUD is requesting \$100 million in Sustainable Housing and Communities funding, through the Community Development Fund (CDF). The majority of funding requested

will be split evenly between the Regional Integrated Planning and Implementation Grant program, and the Community Challenge Planning grant program. The Regional Integrated Planning and Implementation grant program represents the next phase in sustainable communities regional planning. This federal investment helps communities to develop their own strategic framework to address locally defined needs and to use a single planning investment to address multiple challenges, be they the need for improved mobility, expanded regional housing choices, a coordinated economic development strategy, watershed planning or other environmental and infrastructure needs. The Community Challenge planning grants enable communities to update policies, codes, tools and critical capital investments that better integrate transportation, housing and economic development to support local real estate markets and support private investment.

CHOICE NEIGHBORHOODS

The Choice Neighborhoods program funds competitive grants to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with well-functioning services, schools, public assets, transportation, and access to jobs. Choice Neighborhoods grants primarily fund the redevelopment and preservation of distressed public and/or assisted housing developments. Building on the lessons learned in the HOPE VI program, grantees will also be assisted in leveraging a wide range of other federal, state, local, and private resources to concurrently implement a comprehensive neighborhood plan for supporting local economic development and job creation as well as improving schools and promoting family self-sufficiency.

In Fiscal Year 2013, HUD is requesting \$150 million for the Choice Neighborhoods program. This appropriation would provide competitive Implementation Grants in the range of \$35-\$45 million to transform 5-7 neighborhoods. In addition, up to 10 percent of the funding request will be available to local partnerships for Planning Grants to initiate a comprehensive neighborhood planning process centered around distressed assisted and/or public housing.

**Investing In Better Data Collection,
Evaluation, and Best Practices**

The FY2013 OSHC request includes **\$8 million** for research, evaluation, modeling tools, technical support and best practices to advance the field of practice for building sustainable communities, and data development and technical assistance to support HUD's efforts to improve the energy efficiency of its housing portfolio which has a direct impact on reducing energy costs for households and the federal government.