

# OVERVIEW OF FISCAL YEAR 2016 PRESIDENT'S BUDGET



## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

*FEBRUARY 2, 2015*

## **I. OVERVIEW**

- A. The President's 2016 Budget
- B. HUD's Vision for Fiscal Year 2016
- C. HUD's Budget At a Glance

## **II. A BUDGET BASED ON PRINCIPLES**

- A. Building a Stronger HUD
- B. Helping Secure Quality Housing
- C. Ending Homelessness
- D. Strengthening All Communities
- E. Leveling the Playing Field
- F. Addressing Climate Change and Natural Disasters

The President's 2016 Budget lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change; making the critical investments needed to accelerate and sustain economic growth in the long run.

# INVESTING IN AMERICA'S FUTURE

- **HELPING WORKING FAMILIES FEEL MORE SECURE**
- **ENDING THE HARMFUL SPENDING CUTS KNOWN AS SEQUESTRATION**
- **PUTTING OUR NATION ON A MORE SUSTAINABLE FISCAL PATH**

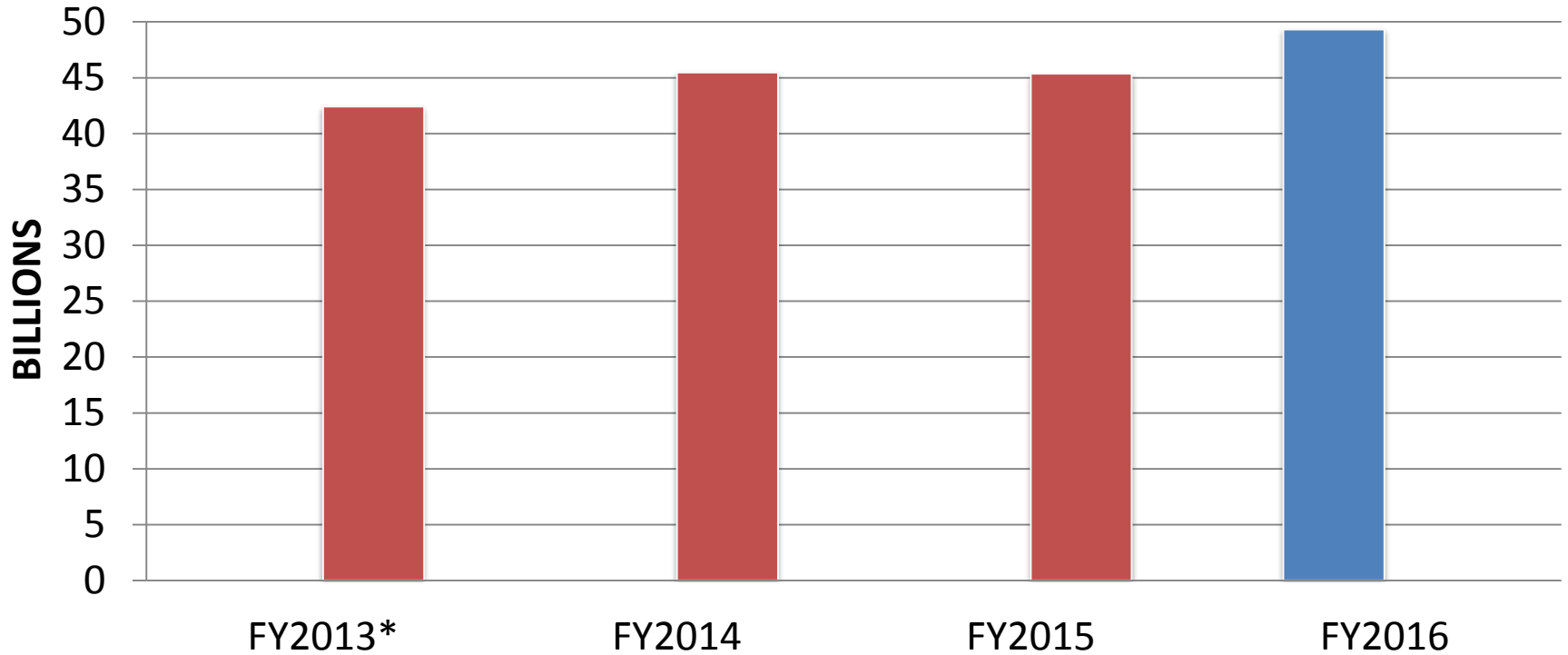
As the Department of Opportunity, HUD continues to build on its mission to promote homeownership, support community development, and increase access to affordable housing, free from discrimination.

# HUD'S VISION

- BUILDING A STRONGER HUD
- HELPING SECURE QUALITY HOUSING
- ENDING HOMELESSNESS
- STRENGTHENING ALL COMMUNITIES
- LEVELING THE PLAYING FIELD
- ADDRESSING CLIMATE CHANGE AND NATURAL DISASTERS

Overall, HUD's 2016 Budget increases gross Budget Authority by 8.7% over FY2015 levels, to \$49.311 billion.

## Comparing FY2016 Request to FY2011 – FY2015 Enacted



■ President's Request  
■ Enacted

\* FY2013 Enacted level includes Sequestration reduction

HUD's 2016 Budget helps advance policies that create opportunity for folks across the country and ensures fiscal responsibility by developing an agency that's leaner, smarter, and more transparent.

## 1 Information Technology

- ✓ Modernizing financial systems
- ✓ Transitioning to enterprise model

## 2 Salaries and Expenses

- ✓ Requests an increase of \$110.6 million over FY 2015
- ✓ \$1.425 billion for salaries to address under-investments in the crucial areas of monitoring, oversight, operations, and management

## 3 Shared Services

- ✓ Financial system and accounting services support (New Core)
- ✓ Improved human resources service delivery
- ✓ Reducing operational costs and improving process efficiency

## HUD's FY2016 Budget maintains a core commitment to provide opportunity for families receiving rental assistance and the opportunity of homeownership.

- ✓ Increases **Tenant Based Rental Assistance** to serve **2.4 million low-income families** and restore approximately **67,000 vouchers** lost to sequestration for new units:
  - ✓ 37,000 new need-based vouchers
  - ✓ 22,500 new homeless vouchers for families, veterans, and Native Americans
  - ✓ 4,900 new vouchers for victims of domestic and dating violence
  - ✓ 2,600 new family unification vouchers
- ✓ The **Administrative Fee request of \$2.02 billion** provides **90 percent** of PHAs' estimated need, as informed by preliminary findings of the Admin Fee Study
- ✓ Includes **Public Housing Capital Fund** at **\$1.970 billion** and **Operating Fund** at **\$4.6 billion**
- ✓ Proposes \$177 million for Housing for Persons with Disabilities to **fully fund the renewal of more than 21,000 units and support 700 new units**
- ✓ Restores certainty to the **Project-Based Rental Assistance account by requesting full, calendar year funding**

To achieve the goals of Opening Doors and end homelessness, we're building on what works by strengthening inter-program and interagency collaboration and investing in proven approaches such as Housing First.

- ✓ Funds **Homeless Assistance Grants** at **\$345 million above FY2015 levels** to continue supporting emergency programs through ESG and fund the CoC competitive renewal demand. The \$345 million includes:
  - ✓ **25,500 new permanent supportive housing beds** for people experiencing chronic homelessness, which will help achieve the goal of ending chronic homelessness by 2017.
  - ✓ **15,000 rapid re-housing interventions** for household with children, which will support the goal of ending child, family, and youth homelessness by 2020.
- ✓ Extends tenant-based vouchers to families at risk of homelessness, including veterans regardless of discharge status and Native Americans in and near Indian Country.



To provide opportunity for all, we're also working with individuals and families to help them prepare for the growth they're experiencing in their communities.

- ✓ **Funds the Choice Neighborhoods program at \$250 million** to fund comprehensive revitalization strategies for communities
- ✓ Expands Moving-to-Work **to up to 15 high-capacity Public Housing Authorities**
- ✓ **Eliminates the RAD cap** and provides an appropriation of \$50 million for the revitalization of housing units
- ✓ Includes **\$100 million for Jobs-Plus**, an \$85 million increase from FY15, and a proposal to allow tribes to administer a Jobs-Plus Program
  - ✓ Rent incentives that encourage work
  - ✓ Job promotion and training activities for tribal members
  - ✓ Community support for work

**We're taking steps to ensure that rural, tribal, suburban, and urban communities' growth is inclusive.**

- ✓ **Proposes flexibility for CDBG** to encourage regional coordination, and specific programs for local decision-making and tribal support
- ✓ Proposes to **increase the CDBG set-aside for colonias to 15%** to allow for more funding to be directed to rural border communities
- ✓ Includes the **Upward Mobility** Project, a new initiative to allow up to ten states, localities or consortia to blend funding across four block grants, including the Department of Health and Human Services' Social Services and Community Services Block Grants.
- ✓ Includes new funding (up to \$10 million) to **attract and retain high-quality teachers in Indian Country** by improving the availability and physical condition of teacher housing

## HUD's FY2016 Budget request strengthens the FHA Fund and helps increase access to credit, which in turn, strengthens the middle class.

- ✓ Reflects a recently implemented, responsible reduction in premiums, to allow FHA to remain on a strong financial trajectory while reducing the cost burden on borrowers:
  - ✓ Saves \$900 annually for an average household
  - ✓ Benefits 2-3 million households over the next 3 years
  - ✓ Nearly 250,000 additional creditworthy, responsible families will be able to afford to buy over the next 3 years
- ✓ Requests the **FHA Administrative Fee** to enhance Quality Assurance work
- ✓ Estimates that FHA's Mutual Mortgage Insurance Fund will have a **positive end-of-year** capital reserve balance of **\$18.8 billion**.
- ✓ **Increases funding for housing counseling to \$60 million, 28% more** than the current fiscal year.
- ✓ **Restores staffing levels for FHEO** to prevent discrimination in the housing market

**HUD continues to prepare communities for the risks posed by extreme weather and other natural disasters, while strengthening communities' ability to be economically resilient in the face of a changing climate and natural disasters.**

- ✓ Of approximately \$15.2 billion in CDBG disaster recovery funding to respond to the effects of Hurricane Sandy, **the Department has allocated \$14.2 billion.**
- ✓ The remaining \$1 billion is allocated to the **National Disaster Resilience Competition**, which will be awarded in FY2016.
- ✓ Includes a **Pay for Success** demonstration that allows HUD to enter multi-year agreements to repay private investors who provide upfront funding for energy efficiency retrofits of HUD-assisted housing.
- ✓ Proposes a Utility Conservation Pilot to: **extend energy incentives** to a broader range of PHAs; **reduce the amount of financing** that would be required to implement repairs; and significantly streamline the application process.