

## FY 2011 Budget Rundown

This document summarizes the proposals included in the Obama Administration's fiscal year (FY) 2011 budget.

### Highlights

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#### **McKinney-Vento Homeless Assistance Grants**

The budget proposes a \$190 million increase (10%) to \$2.055 billion. This will be the first budget that implements the HEARTH Act.

The budget proposes \$200 million for the Emergency Solutions Grant (ESG). This is an increase of \$40 million over the FY 2010 level for the ESG program, but approximately \$200-\$250 million less than would be allocated to ESG if the HEARTH Act was fully implemented.

The funding level would enable HUD to implement other aspects of the HEARTH Act, including additional funds for administrative expenses, particularly for Collaborative Applicants (the entities that will apply for CoC funding), and additional funds for rural areas.

Based on the Alliance's projections, there would be sufficient funds for communities to receive slightly less funding for new projects in FY 2011 than in FY 2010, but more than in FY 2009 (the funding round that will be announced shortly).

#### **Housing and Services for Homeless Persons Demonstration**

This new proposal would combine HUD housing vouchers with funding from HHS mainstream programs to serve approximately 10,000 homeless or at-risk households. It has two components:

- HUD and HHS will combine 4,000 Section 8 Housing Choice Vouchers and \$16 million in HHS funding (the equivalent of \$4,000 per unit) to serve chronically homeless individuals who are enrolled in certain Medicaid programs.
- HUD, HHS, and Department of Education will work together to implement a housing and services program for 6,000 families who are homeless or at risk of homelessness. HUD will provide Section 8 Housing Choice Vouchers targeted to communities with high concentrations of homeless families. Applicants will need to demonstrate how they are coordinating these vouchers with State TANF

assistance, and the Department of Education will help identify at-risk families through its network of homeless liaisons and provide education services.

### **Veterans Affairs Zero Homelessness Initiative**

The Department of Veterans Affairs (VA) is increasing funding for a host of programs that assist homeless veterans. Overall funding for these programs is rising by \$265 million (50 percent) from \$534 million to \$799 million.

### **TANF Emergency Contingency Fund**

The budget proposes to extend supplemental funding for the TANF Emergency Contingency fund for an additional year. This would give states up to \$2.5 billion for short-term emergency assistance, including for housing, supported employment, or to cover additional families. This program is already used in several communities to supplement Homelessness Prevention and Rapid Re-Housing Program (HPRP) resources.

## **HUD programs**

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### **Tenant-Based Rental Assistance/Section 8 Housing Choice Vouchers**

The budget proposes a \$1.4 billion increase for tenant-based rental assistance, also known as the Section 8 or Housing Choice Voucher program. HUD projects that this request will serve 34,466 more households than in FY 2010. The budget does not propose any new HUD-VA Supportive Housing (HUD-VASH) vouchers, Family Unification Program (FUP) vouchers, or vouchers for non-elderly people with disabilities as had been funded in previous years.

### **Housing Trust Fund**

HUD proposes \$1 billion for the National Housing Trust Fund, which would primarily create rental housing for extremely low income households. The \$1 billion would be mandatory spending, which means that Congress would have to pass legislation separate from the regular appropriations process for the money to become available. The Administration proposed the same thing last year, but it was never enacted.

### **Project-Based Rental Assistance**

The Administration's budget proposes to increase funding for the project-based voucher program by over \$800 million to \$9.4 billion, which the Administration estimates is sufficient to renew all projects for a full 12 months. Note: This is not the program that allows PHAs to fund new project-based vouchers. New project-based vouchers are usually funded through the Tenant-Based Rental Assistance account. The Project-Based Rental Assistance program funds contracts that were made directly between HUD and property owners many years ago.

### **Community Development Block Grant (CDBG)**

CDBG would receive a \$70 million cut under the Administration's proposed budget to \$4.38 billion. The proposal would include the same amount of funding for formula grants to cities, counties, and states as the prior year. The cut largely reflects the fact that the budget does not include funding for earmarks.

## **HOME**

The budget proposes a \$175 million (10 percent) cut for the HOME program to \$1.65 billion.

### **Housing Opportunities for People with AIDS (HOPWA)**

The budget proposes a small \$5 million increase for the HOPWA program to \$340 million.

### **Section 811 Housing for People with Disabilities**

The budget proposes a very large cut of \$210 million for the Section 811 program to \$90 million. Some of the funding (\$114 million) is shifted to the Tenant-Based Rental Assistance program. The funding will renew existing vouchers and operating subsidies but allow for no new activity.

### **Section 202 Housing for the Elderly**

The budget proposes a very large cut of \$551 million (67 percent) to \$274 million. The funding will renew existing operating subsidies and service coordinators programs but allow for no new activity.

### **Public Housing**

Public Housing would receive 1 percent more funding for operating expenses, and 18 percent less for capital expenses. The Administration is also proposing \$250 million for the Choice Neighborhood Initiative, which would replace the HOPE VI program. Choice Neighborhoods would support revitalization efforts in neighborhoods with extreme poverty and would not exclusively target public housing. It would include a preference for communities with intensive school reform and early childhood development efforts.

### **Transformation Initiatives**

HUD is proposing several transformational initiatives.

*HUD Transformation Initiative*—uses up to 1 percent of funding from each program. The funding would replace specific technical assistance funding that is normally provided through those programs. The transformation initiative would support cross-cutting activities, including research, technical assistance, demonstrations, and evaluation.

*Transforming Rental Assistance*—\$350 million to begin consolidating various rental assistance programs, including public housing.

*Catalytic Investment Competition*—\$150 million for economic development and gap financing for neighborhood and community revitalization.

*Capacity Building*—\$60 million to support the affordable housing and community development sector. This funding would replace the Section 4 program that provides grants directly to Enterprise, LISC, and other organizations.

*Sustainable Communities*—\$150 million for the second year of the program, which combines the efforts of HUD, the Department of Transportation, and the Environmental Protection Agency.

## HHS Programs

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### **Community Health Centers and Health Care for the Homeless (HCH)**

Health Centers, including Health Care for the Homeless (HCH) programs, would receive a \$290 million increase to \$2.436 billion, of which \$212 million would be for HCH, representing a 13 percent increase for HCH.

### **Runaway and Homeless Youth Act (RHYA)**

Youth programs would receive \$116 million, the same level as 2010. The amounts for specific activities are: \$54 million for Basic Centers, \$44 million for Transitional Living Programs, and \$18 million for Street Outreach grants to reduce Sexual Abuse.

### **Projects for Assistance in Transition from Homelessness (PATH)**

PATH would receive a \$5 million increase to \$70 million.

### **SAMHSA Homelessness Grants**

SAMHSA would receive \$87 million for targeted homelessness grants, a \$12 million increase from 2010. That funding includes the \$16 million for the Housing and Services for Homeless Persons Demonstration described above.

### **Community Services Block Grant (CSBG)**

CSBG would receive \$700 million, the same level as 2010.

## Other Agencies

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**Washington DC** would receive \$10 million for permanent supportive housing using a Housing First approach. Last year, it received \$17 million.

The Administration is proposing \$100 million for the Department of Justice's **Second Chance Act** programs, the same level as in 2010.

The **Homeless Veterans Reintegration Program**, operated by the Department of Labor, would receive a \$5 million increase to \$41 million.

The **Emergency Food and Shelter Program** would receive \$100 million, which is half of its 2010 level.

The **Education for Homeless Children and Youth Program** would receive \$65 million, the same as 2010.