FISCAL YEAR 2017 SENATE APPROPRIATIONS
Transportation, Housing and Urban Development
April 21, 2016

Introduction

On April 21, the Senate Appropriations Committee voted in favor of its Fiscal Year (FY) 2017 Transportation, Housing and Urban Development (THUD) spending bill. The bill was approved 30-0. Overall, the Senate THUD bill provides $56.5 billion in budget authority to fund the nation’s transportation, housing, and community development priorities. This represents an $827 million decrease from FY 2016 enacted levels and $2.9 billion below the President’s budget request.

Despite the low allocation, the Senate FY 2017 THUD Appropriations bill provides nearly $1.5 billion in additional spending compared to FY 2016 for affordable housing and community development programs administered by HUD.

THUD Subcommittee Chairwoman Susan Collins (R-Maine) held that “through considerable negotiation and compromise, this bipartisan bill makes important investments in our nation’s infrastructure, helps meet the housing needs of the most vulnerable among us, and provides funding for economic development projects that create jobs in our communities.”

U.S. Department of Housing and Urban Development (HUD)

The Senate FY 2017 THUD Appropriations bill provides nearly $1.5 billion in additional spending compared to FY 2016 for HUD’s affordable housing and community development programs. This spending increase is largely offset with receipts from the Federal Housing Administration (FHA) and program rescissions.

Specifically, the bill provides significantly more resources to fund Housing Choice Vouchers ($803 million or 4.1 percent increase), Project-Based Rental Assistance ($279 million or 2.6 percent increase), Public Housing Operating Fund ($175 million or 3.9 percent increase), Homeless Assistance Grants ($80 million or 3.6 percent increase), Housing for the Elderly ($72.3 million or 17 percent increase), and Lead-Based Paint Hazard programs ($25 million or 23 percent increase).

One of the only HUD programs to see a significant cut in funding is the Choice Neighborhood program, which received a $45 million or 36 percent cut.

Public and Assisted Housing

Housing Choice Vouchers

The single largest increase in proposed spending in the FY 2017 Senate THUD bill is for HUD’s Housing Choice Vouchers program, which is funded at $20.4 billion.

With an additional $803 million in funding, the Senate Appropriations Committee proposes to create a $7 million set-aside for new Tribal Veteran Affairs Supportive Housing Vouchers. A similar set-aside was also proposed in the President’s budget request.

The additional funding would also provide $50 million in general Veteran Affairs Supportive Housing...
(VASH) vouchers. The President’s budget request did not propose any additional VASH vouchers.

Funding for contract renewals is $673 million above FY 2016 levels, but $92 million less than the President’s budget request.

The increase in funding for the Housing Choice Vouchers program represents more than half (53 percent) of the nearly $1.5 billion of additional funding proposed by the Committee for all housing and community development programs in FY 2017.

**Project-Based Rental Assistance**

The Senate THUD bill proposes to fund Project-Based Rental Assistance (PBRA) at $10.9 billion. This represents a $279 million or 2.6 percent increase compared to FY 2016 and would continue to support fully funding for all existing contracts.

**Public Housing**

Under the Senate THUD bill, the Public Housing Operating Fund would receive a significant $175 million increase compared to FY 2016 rates to bring total program levels to $4.68 billion. Likewise, the Public Housing Capital Fund ($1.93 billion) receives a $25 million increase.

**Rental Assistance Demonstration**

The Senate THUD bill increases the cap on the number of public housing units authorized to convert under the Rental Assistance Demonstration (RAD) from 185,000 to 250,000, authorizes $4 million to support the conversion of Section 202 Housing for the Elderly under RAD, and clarifies tenant protections under certain types of RAD conversions.

**Mobility Demonstration**

The bill gives HUD the authority to implement a voucher mobility demonstration for PHAs to implement and test regional housing mobility plans.

**HOME Investment Partnerships (HOME)**

The Senate THUD bill proposes to fund HOME at $950 million. This renews the $50 million increase in funding that HOME supporters and Congressional champions secured in the FY 2016 budget after Congress initially proposed to deeply cut—or even essentially eliminate—the program altogether.

None of the policy changes proposed by the Administration in its Budget Request was included in the Senate bill. Specifically, the administration requested legislative language to eliminate the 24-month commitment requirement, eliminate the 15 percent Community Housing Development Organization (CHDO) set-aside, establish a single qualification threshold of $500,000 irrespective of the appropriation amount, revise the current "grandfathering" provision so that participating jurisdictions that fall below the threshold three years out of a five-year period are ineligible for direct formula funds, and allow recaptured HOME CHDO technical assistance funds to be reallocated as HOME technical assistance funds.

**Capacity Building**

The Senate bill fully funds the HUD Section 4 Capacity Building for the Community Development and Affordable Housing (Section 4) program at $35 million as a stand-alone program.

In doing so, the Senate bill rejects the Administration’s proposal to combine all capacity building and technical assistance programs—including Section 4—into a Research and Technology (R&T) account. The Administration’s proposal would not have provided a direct appropriation to HUD’s capacity building programs. Instead, it would have only given the HUD Secretary the authority to transfer up to $120 million from other HUD programs. It is
important to note that this funding would not have been guaranteed. The Administration’s proposal would have essentially eliminated the Section 4 program as it operates today.

When the administration proposed a similar change in FY2016, it was soundly rejected by Congress.

Holistic Community Development Policies

Fair Housing

The Senate bill proposes $65.3 million for the Office of Fair Housing and Equal Opportunity (FHEO), a $4.7 million decrease from the President’s budget request and level funding compared to FY 2016 rates.

For More Information

If you have any questions about the FY 2017 Senate THUD bill—or how you can help protect funding for affordable housing programs—please contact:

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