

HUD RELEASES PROPOSED 2016 BUDGET

Spending blueprint focuses on middle class economics and restores sequestration cuts

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) today unveiled President Obama’s proposed HUD budget for Fiscal Year 2016 which is focused on helping to secure quality housing for Americans; to end homelessness; to make communities more resilient from natural disasters; to protect people from housing discrimination; and to provide critical rental assistance for millions of extremely poor families. The 2016 budget includes \$49.3 billion to support these efforts, representing a \$4 billion, or 8.7 percent, increase over current levels.

This week, HUD will also release the latest in a long-term series of reports designed to measure the scale of critical housing problems facing very low-income unassisted renters. This latest report finds that in 2013, the number of these ‘worst case housing needs’ remains at very high levels – 7.7 million renter households paying more than half of their income on rent, living in severely substandard housing, or both.

[Read HUD’s proposed FY 2016 budget.](#)

“HUD is the Department of Opportunity and the President’s budget proposal is a blueprint for greater opportunity for all Americans,” said Secretary Julián Castro. “By increasing our Department’s funding level by nearly \$4 billion over current levels, the President’s Budget helps us continue our progress toward achieving our mission to promote homeownership, support community development – including making neighborhoods more resilient from natural disasters – and expand access to affordable housing for all.”



Helping Families Secure Quality Housing

HUD’s 2016 Budget maintains a core commitment to provide opportunity for families receiving rental assistance and those households seeking homeownership. This includes funding all existing rental assistance vouchers serving 2.4 million low-income households and to restore 67,000 vouchers lost in 2013 due to sequestration, including:

- 37,000 new tenant-based **[Housing Choice Vouchers](#)**;
- 23,000 new homeless vouchers for families, veterans and Native Americans;
- 4,900 new vouchers for victims of domestic and dating violence protection vouchers; and
- 2,600 new family unification vouchers.

The budget also proposes:

- \$1.97 billion for the **Public Housing Capital Fund**;
- \$4.6 billion for the **Public Housing Operating Fund**;
- \$455 million under HUD's **Section 202 Supportive Housing for the Elderly Program**;
- \$177 million under the **Section 811 Supportive Housing for Persons with Disabilities Program**, and;
- \$60 million under HUD's **Housing Counseling Program**, an increase of \$13 million (28 percent)

from current funding levels to help nearly two million consumers to improve or restore their borrowing ability, access credit, and improve their housing quality and affordability.

Federal Housing Administration

To further expand access to affordable mortgage financing to credit-qualified households, the Federal Housing Administration (FHA) reduced annual mortgage insurance premiums for new borrowers by .50 percent. This action is projected to save more than two million FHA homeowners an average of \$900 annually and spur 250,000 new homebuyers to purchase their first home over the next three years. Due to aggressive and necessary action over the last six years, FHA's value has improved \$21 billion in the last two years and remains on a very strong trajectory.

Native American Housing and Community Development

The 2016 Budget requests \$748 million to address housing needs in Native American communities, including funding teacher housing to attract educators to Indian Country, as well as connecting Native American veterans to homes and vital clinical services. HUD's Budget for tribal communities includes:

- \$660 million under the **Indian Housing Block Grant (IHBG) Program**, an increase of \$10 million from the FY15 enacted budget, to promote affordable housing, infrastructure and economic development;
- \$80 million through the **Indian Community Development Block Grant (ICDBG) Program**, a \$14 million increase current levels, to assist federally recognized Indian tribes, Alaska Native villages, and tribal organizations for a wide variety of development needs; and
- \$8 million for the **Indian Housing Loan Guarantee program (Section 184) Program**, a \$1 million increase over 2015, to tribal communities to access private capital as a means of stimulating their affordable housing and homeownership programs.



Ending Homelessness

To achieve the goals of *Opening Doors*, the Federal Government's first-ever strategy to prevent and end homelessness, the 2016 Budget invests in proven approaches such as Housing First. The spending proposal includes \$2.5 billion for the **Continuum of Care and Emergency Solutions**

Grant Programs. This represents an increase of \$345 million above current funding levels and an additional 25,500 new permanent supportive housing units for persons experiencing long-term or chronic homelessness. HUD is also seeking funding to prevent homelessness for 15,000 families with children and \$332 million for housing assistance to low-income persons living with HIV/AIDS and their families.



Strengthening All Communities in this Century of Cities

To empower local communities, the 2016 Budget would expand opportunity in high poverty areas by investing \$250 million to transform neighborhoods through the **Choice Neighborhoods Program**. HUD is also proposing to expand the authority it offers to select Public Housing Authorities (PHAs) through **Moving to Work**. This program allows these PHAs greater flexibility to make local decisions about how to operate their housing programs and test innovative ways to improve self-sufficiency, mobility, academic performance and other outcomes for HUD-assisted tenants.

HUD is proposing to eliminate the current cap under its **Rental Assistance Demonstration Program (RAD)** and provide \$50 million to help local public housing agencies to finance the recapitalization of more than 180,000 units of public housing and stimulate private investment.

The Budget includes a request of \$100 million for Jobs-Plus, a \$85 million increase from FY 2015, and would allow Tribally Designated Housing Entities to administer a Jobs-Plus Program. Jobs-Plus provides intensive, employment-focused programs targeting every able-bodied, working-age welfare recipient at a public housing development. To further encourage self-sufficiency among HUD-assisted households, the Budget seeks \$85 million for the **Family Self-Sufficiency Program** to fund approximately 1,600 Family Self-Sufficiency Program Coordinators who will serve approximately 80,000 families to boost savings, earnings, and employment rates among program participants.

[Read HUD's proposed FY 2016 budget.](#)