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Department of Housing and Urban Development (HUD): FY2022 Budget Request Fact Sheet

July 22, 2021

Congressional Research Service
https://crsreports.congress.gov
R46849

CRS REPORT
Prepared for Members and
Committees of Congress

Introduction

This report provides a brief overview of the FY2022 budget request for the Department of Housing and Urban Development (HUD), with links to relevant Administration budget documents and CRS reports. This report will not be updated to track legislative action during the appropriations process.

HUD

Most of the funding for HUD's programs and activities comes from discretionary appropriations provided each year in the annual appropriations acts. HUD's annual appropriations are generally considered along with those for the Department of Transportation and several related agencies (including the Neighborhood Reinvestment Corporation, also known as NeighborWorks America) by the Transportation, HUD, and Related Agencies subcommittees of the House and the Senate appropriations committees.

- For more information about HUD's programs and activities, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty, Libby Perl, and Katie Jones.

President's FY2022 Budget Request

On April 9, 2021, President Joe Biden submitted to Congress an outline of his discretionary funding priorities for FY2022. The Administration submitted its full FY2022 budget request to Congress on May 28, 2021.

- *For more information about HUD's budget request*, *see* FY2022 Budget Appendix-HUD.
- *For additional detail about funding levels for specific programs and activities*, *see* HUD's FY2022 Congressional Budget Justifications.
- *For a table of FY2022 requested funding levels compared to FY2021 enacted funding levels for selected HUD accounts, see* **Table 1**.

Totals

Gross Budget Authority

The President's FY2022 request proposes $68.69 billion in *gross* discretionary appropriations for HUD, which is the amount of new budget authority available for HUD programs and activities, not accounting for budgetary savings from offsets and other sources. This amount is about $8.34 billion (14%) more than the amount of gross discretionary appropriations provided in the FY2021 enacted appropriations law (see **Figure 1**).

The President's budget proposes funding increases for most HUD programs and activities and includes some new programs, which are explored later in this report (see "Funding Increases" and "Climate Initiatives"). The largest relative increase is for the Native Hawaiian Housing Block Grant program (+250%; +$5 million relative to FY2021), and the largest overall increase is for the tenant-based rental assistance account (+$4.66 billion; +18% relative to FY2021).

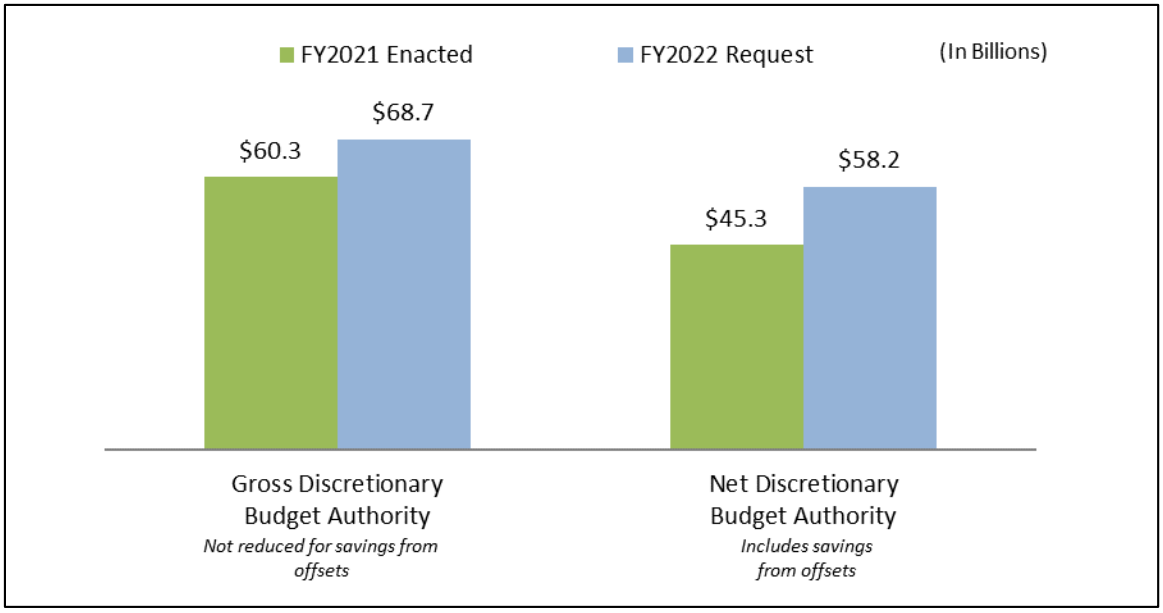
Net Budget Authority

When looking at *net* discretionary budget authority—accounting for the effect of budgetary savings from offsetting collections and receipts, rescissions, and other sources—the President's budget appears to provide a larger increase relative to FY2021 than the increase in *gross* budget authority. As shown in **Figure 1**, accounting for these savings, the President's FY2022 budget requests $58.2 billion in *net* discretionary funding for HUD, an increase of about $12.91 billion (29%) compared to the net budget authority provided in FY2021. In other words, the overall increase in funding for HUD's programs and activities from FY2021 to FY2022 (as represented by gross budget authority) is smaller than it appears when accounting for budgetary savings (as represented by net budget authority). The gross budget authority generally best reflects the amount of new funding available for HUD's programs and activities in a year, whereas net budget authority is important for budgetary scorekeeping and compliance with statutory spending limitations.

The reason that the *net* increase from FY2021 enacted to FY2022 requested amounts is larger than the *gross* increase is because there is less estimated to be available in offsets in FY2022 relative to FY2021. Specifically, there is an estimated $4.57 billion (30%) decrease in budget savings, from $15.09 billion in FY2021 to $10.53 billion in FY2022, available from offsetting collections and receipts. This is attributable to projected declines in the volume of Federal Housing Administration (FHA) insured mortgages, as well as lower anticipated returns on those loans, in FY2022 relative to FY2021. However, these estimates of offsetting collections and receipts for FY2022 will likely change when the Congressional Budget Office (CBO) re-estimates the President's budget for the purposes of the congressional appropriations process.

- For more information about offsetting collections and receipts and other components of the HUD budget, see CRS Report R42542, *Department of Housing and Urban Development (HUD): Funding Trends Since FY2002*, by Maggie McCarty.
- For more information about FHA and how it is accounted for in the budget, see CRS Report R42875, *FHA Single-Family Mortgage Insurance: Financial Status of the Mutual Mortgage Insurance Fund (MMI Fund)*, by Katie Jones.

Figure 1. Total HUD Discretionary Funding With and Without Savings from Offsets and Other Sources: FY2021 Enacted and FY2022 Request



Sources: Chart prepared by the Congressional Research Service (CRS). FY2021 and FY2022 figures taken from FY2022 President's budget documents and HUD Congressional Budget Justifications.

Note: Figures exclude emergency funding.

Funding Increases

There are a number of HUD programs slated for funding increases in the FY2022 request relative to FY2021 enacted appropriations. Those with the largest proposed dollar increases include the following:

- **Tenant-Based Rental Assistance** (Section 8 Housing Choice Vouchers), proposed for a $4.66 billion (18%) increase, provides funds to private landlords on behalf of low-income households. Of this amount, $1.6 billion is to fund vouchers for 200,000 additional households experiencing homelessness or at risk of homelessness.
- **Public Housing Fund**, proposed for a $769 million (10%) increase, provides grants to public housing agencies (PHAs) to fund public housing costs. Of this amount, $300 million is for Climate Initiatives.
- **HOME Investment Partnerships Program**, proposed for a $500 million (37%) increase, provides formula grants to states and eligible localities for various affordable housing activities targeted to low-income households.
- **Homeless Assistance Grants**, proposed for a $500 million (17%) increase, provides funds to local communities for a variety of housing and related services for individuals and families experiencing or at risk of homelessness.
- **Community Development Fund** (including the Community Development Block Grant [CDBG]), proposed for a $295 million (8%) increase, provides formula grants to states and localities for a variety of community and economic development activities.

Climate Initiatives

The budget includes a request for $800 million to improve the climate resilience and energy efficiency of HUD housing. This Climate Initiative targets the following programs and accounts:

- **Public Housing Fund** includes $300 million ($245 million for capital grants and $55 million to support energy and water conservation innovations) to reduce utility consumption and improve energy performance of public housing.
- **Native American Programs** includes $100 million for competitive grants to improve energy and water efficiency in housing units.
- **Choice Neighborhoods** includes $50 million to support the design and construction of energy-efficient housing.
- **Green and Resilient Retrofit Program** includes $250 million for a new demonstration program to rehabilitate HUD-assisted multifamily homes to improve their energy efficiency and ability to withstand extreme weather and natural disasters.
- **Rental Assistance Demonstration** includes $100 million ($50 million for tenant-based rental assistance and $50 million for project-based rental assistance) to address energy efficiency and other critical needs of properties.

Separate from the President's budget request, the Biden Administration's American Jobs Plan "proposes to invest $147.3 billion in an array of HUD programs to bolster the nation's housing infrastructure and create jobs." This plan includes a focus on energy efficient housing units and community climate resilience.

Table 1. FY2021 Enacted Funding and FY2022 Request for Selected HUD Accounts

(in billions of dollars)

Accounts	FY2021 Enacted	FY2022 Request	% Change, FY2021-FY2022 Request
Salaries and Expenses (Mgmt. & Adm.)	1.936	2.151	11%
Tenant-Based Rental Assistance (Section 8 Housing Choice Vouchers)	25.778	30.442	18%
Public Housing Fund	7.806	8.575	10%
Choice Neighborhoods	0.200	0.250	25%
Family Self-Sufficiency Program Coordinators	0.105	0.120	14%
Native American Programs	0.825	1.000	21%
Native Hawaiian block grant	0.002	0.007	250%
Housing, persons with AIDS (HOPWA)	0.430	0.450	5%
Community Development Fund (including CDBG)	3.475	3.770	8%
HOME Investment Partnerships	1.350	1.850	37%
Self-Help Homeownership Opportunity (SHOP)	0.060	0.060	0%
Homeless Assistance Grants	3.000	3.500	17%
Project-Based Rental Assistance (Project-Based Section 8)	13.465	14.060	4%

Housing for the Elderly	0.855	0.928	9%
Housing for Persons with Disabilities	0.227	0.272	20%
Housing Counseling Assistance	0.078	0.086	10%
Green and Resilient Retrofit Program (new in FY2022 Budget)	N/A	0.250	N/A
Research and technology	0.105	0.145	38%
Fair housing activities	0.073	0.085	16%
Office, lead hazard control	0.360	0.400	11%

Sources: Table prepared by the Congressional Research Service (CRS). FY2021 and FY2022 figures taken from FY2022 President's budget documents and HUD Congressional Budget Justifications.

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