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Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2022

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SUMMARY

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Maggie McCarty
Specialist in Housing Policy

David Randall Peterman
Analyst in Transportation Policy

Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2022

The respective House and Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations subcommittees are charged with providing annual appropriations for the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), and certain related agencies. This report describes action on FY2022 annual appropriations for THUD, including detailed tables for each major agency and a brief overview of selected issues.

The annual appropriations process typically begins with the release of the President's budget request to Congress in early February. The timing of the THUD budget request for FY2022 was affected by a presidential transition, from the Administration of President Donald J. Trump to the Administration of President Joseph R. Biden, occurring in late January 2021. As a result of this transition, the full FY2022 budget submission was delayed until May 28, 2021. (A summary of the request for discretionary funding was submitted to Congress on April 9, 2021). The budget proposed increasing discretionary funding for THUD agencies by 10% (+$7.5 billion) from FY2021 levels. The bulk of that increase in funding is directed to HUD (+$7.1 billion), primarily for increased funding for HUD rental assistance programs (+$6.1 billion).

In July 2021, the House Appropriations Committee reported out its version of a THUD appropriations bill (H.R. 4550; H.Rept. 117-99). It included a larger increase in funding for THUD agencies (+11.5%; +$8.7 billion over FY2021) than the President's budget. The House Appropriations Committee bill proposed a larger increase for DOT (+7.3% over FY2021) than the President had requested (+1.6%). Rules Committee Print 117-12 combines THUD appropriations with several other appropriations acts planned for House floor consideration in the legislative vehicle H.R. 4502.

Contents

FY2022 Budget Process 1
FY2022 THUD Appropriations Process 2
President's Budget 2
House Action 3
Department of Transportation 4
Administration Budget Request 4
H.R. 4550 5
Selected DOT Issues 8
Authorization of Surface Transportation Programs 8
Infrastructure Funding 8
Multi-Modal Grants 8
Highway Safety 9
Passenger Rail 9
Commercial Truck Safety 9
Department of Housing and Urban Development 9
Overview 9
Agency Funding 10
Status of FY2022 HUD Appropriations 10
Selected FY2022 HUD Appropriations Issues 13
Rental Assistance Funding 13
Formula Grants 15
Climate Initiative 16
THUD Related Agencies 17
Selected Related Agencies Issues 17
NeighborWorks America 17

Tables

Table 1. FY2022 THUD 302(b) Suballocations in Context 2
Table 2. THUD Appropriations by Bill Title, FY2021-FY2022 3
Table 3. Department of Transportation, FY2021-FY2022 Detailed Budget Table 5
Table 4. Department of Housing and Urban Development, FY2021-FY2022 Detailed Appropriations 11
Table 5. HUD Climate Initiative Funding 16
Table 6. THUD Independent Agencies, FY2021-FY2022 17

Contacts

Author Information 18

The respective House and Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations subcommittees are charged with providing annual appropriations for the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), and certain related agencies. This report describes action on FY2022 annual appropriations for THUD, including detailed tables for each major agency and a brief overview of selected issues.

FY2022 Budget Process

Appropriations for DOT, HUD, and the related agencies typically funded in the THUD bill happen in the context of the broader annual congressional appropriations process. That process generally begins with the submission of the President's budget request, followed by adoption of congressional spending limits (generally, in a budget resolution) that set the overall level of spending for that fiscal year's appropriations bills.

The President's budget request for the upcoming fiscal year is due to be submitted to Congress by the first Monday in February. However, the FY2022 budget submission occurred during a presidential transition year—from the presidency of Donald J. Trump to Joseph R. Biden on January 20, 2021. Recent Presidents have not submitted detailed budget proposals until April or May of their first year in office, although each has advised Congress regarding the general contours of their economic and budgetary policies in special messages submitted to Congress prior to that submission.[1] This delay allows time to prepare a proposal that reflects the priorities of the new administration. On April 9, President Biden submitted to Congress an outline of his discretionary funding priorities for FY2022.[2] This preliminary document provided early highlights for numerous policy areas. The full budget request was submitted on May 28, almost four months after its due date.[3] As a result, the start of annual appropriations decision-making for FY2022 also was delayed to allow time for Congress to consider this request.

The framework for budget enforcement under the congressional budget process for the past decade has had both statutory and procedural elements. The statutory elements have included limits on discretionary spending established by the Budget Control Act of 2011, as amended (BCA; P.L. 112-25). However, those discretionary spending limits extended only through FY2021, meaning no statutory limits on discretionary spending are currently in place for FY2022.

The procedural elements of budget enforcement are primarily associated with the budget resolution. They limit both total discretionary spending available to the Appropriations committees (commonly referred to as "302(a) allocations") and spending under the jurisdiction of each appropriations subcommittee ("302(b) suballocations").

While there has not been House or Senate action on an FY2022 budget resolution, on June 14, the House adopted H.Res. 467 to provide a 302(a) allocation to the House Appropriations Committee.[4] On June 24, pursuant to this resolution, the House Budget Committee published in the *Congressional Record* the House Appropriations Committee allocations. Subsequently, the House Appropriations Committee reported its initial 302(b) suballocations for all 12 bills,

[1] CRS Insight IN11655, *Budget Submission After a Presidential Transition: Contextualizing the Biden Administration's FY2022 Request*.

[2] Office of Management and Budget (OMB), *The President's FY2022 Discretionary Request*, April 9, 2021, https://www.whitehouse.gov/omb/fy-2022-discretionary-request/.

[3] See https://www.whitehouse.gov/omb/budget/.

[4] For a discussion of budget enforcement through methods such as H.Res. 467, see CRS Report R44296, *Deeming Resolutions: Budget Enforcement in the Absence of a Budget Resolution*.

including THUD, on July 1 (H.Rept. 117-78), followed by a revision on July 16 (H.Rept. 117-91). (Revisions to suballocations throughout the appropriations process are a common practice to reflect actual action on appropriations bills and changes in congressional priorities.) **Table 1** shows the suballocation to the THUD Subcommittee, compared to the comparable FY2021 enacted and President's Budget figures.

Table 1. FY2022 THUD 302(b) Suballocations in Context

(dollars in billions)

	FY2021 Enacted	President's FY2022 Request	House FY2022 302(b)	Senate FY2022 302(b)	FY2022 Enacted
THUD Totals	74.658[a]	82.913	84.062		

Source: FY2021 enacted from CBO Status of Discretionary Appropriations, FY2021, February 1, 2021 (https://www.cbo.gov/system/files?file=2021-02/FY2021-House-2021-02-01.pdf); President's FY2022 request taken from Comparative Statement of Budget Authority, p. 306 of H.Rept. 117-99; House FY2022 302(b) from H.Rept. 117-91.

a. An additional $718 million provided for THUD by P.L. 116-260 was deemed an emergency requirement, and is thus excluded for purposes of calculating the total subject to discretionary spending limits under the BCA, as amended, and is not shown in this table.

FY2022 THUD Appropriations Process

Two factors make the FY2022 THUD appropriations process different than most years. One is the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The FY2021 Consolidated Appropriations Act provided supplemental coronavirus relief funding, including $27 billion for DOT in FY2021. Additionally, the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) appropriated $54 billion in mandatory COVID-19 relief and response via programs and activities typically funded in the THUD appropriations bill. These funds did affect total spending on activities normally funded by the THUD appropriations bill, but were provided outside of the annual appropriations process, and thus are outside the scope of this report. (For more information on ARPA funding, see Appendix A-1 of CRS Report R46465, *Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2021*.)

Second, the Biden Administration has announced a proposed infrastructure investment package—referred to as the American Jobs Plan—that would provide significant additional funding for housing and transportation programs and activities. Legislation to implement this plan is being negotiated, and it is possible that the housing funding might be provided outside of the annual appropriations process. For this reason, the plan is not discussed in this report. (For more information about the American Jobs Plan, see https://www.whitehouse.gov/american-jobs-plan/.)

President's Budget

The President's FY2022 budget proposed an increase of 10% (+$7.5 billion) in discretionary funding for THUD agencies relative to FY2021, with HUD proposed to receive the vast majority of that increased funding (+$7.1 billion). (For more information about the President's budget request for HUD, see CRS Report R46849, *Department of Housing and Urban Development (HUD): FY2022 Budget Request Fact Sheet*.)

House Action

The House Committee on Appropriations ordered reported its FY2022 THUD appropriations bill on July 16, following subcommittee markup on July 12. The bill was reported as H.R. 4550, accompanied by H.Rept. 117-99, on July 20. It included a larger increase in funding for THUD agencies than requested by the President (+$8.6 billion, +11.5% relative to FY2021).

THUD appropriations are planned to be considered in an amended version of H.R. 4502 that combines several other appropriations acts for House floor consideration (THUD is Division G).[5]

Return of Earmarks

In the 112th Congress (2011-2012), the House and Senate began observing what has been referred to as an "earmark moratorium" or "earmark ban," which was articulated in party rules and committee protocols. This ban limited the ability of directing spending, tax, or tariff benefits to specific entities outside of statutory or administrative formulas or competitive award processes. Prior to the instatement of the earmark ban, accounts in both DOT's and HUD's budget were frequent sources of congressionally directed spending, or earmarks. The earmark ban was effectively lifted in the 117th Congress, although earmark disclosure requirements adopted by both the House and the Senate during the 110th Congress remain in effect.

For a list of disclosed earmarks contained in the FY2022 House Appropriations Committee-reported THUD bill—referred to as congressionally-requested projects—see "Incorporation of Community Project Funding" table, beginning on p. 167 of H.Rept. 117-99.

For more information about earmark disclosure rules, see CRS Report RS22866, *Earmark Disclosure Rules in the House: Member and Committee Requirements*.

Table 2 tracks FY2022 THUD funding at the bill title level.

Table 2. THUD Appropriations by Bill Title, FY2021-FY2022

(dollars in millions)

	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Title I: DOT	86,709	87,047	105,740		
Discretionary	*25,317*	*25,728*	*27,175*		
Mandatory	*61,392*	*61,320*	*78,565*		
Title II: HUD	49,648[b]	56,785	56,471		
Title III: Other Independent Agencies	388	400	416		
Title IV: General Provisions	23[c]	—	—		
Total Discretionary	75,376	82,913	84,062		
Total Discretionary (excluding emergency designated funding)	*74,658*[d]	*82,913*	*84,062*		

[5] House Committee On Rules, "Amendment Process Announcement for LHHS, Agriculture, Energy and Water, FSGG, Interior, Environment, MilCon/VA, and THUD Appropriations Act, 2022," press release, July 17, 2021, https://rules.house.gov/news/announcement/amendment-process-announcement-lhhs-agriculture-energy-and-water-fsgg-interior.

	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Total Mandatory	61,392	61,320	78,565		
Total	136,768	144,232	162,627		
Emergency Appropriations (discretionary)	*27,718*[e]	—	—		

Source: Comparative Statement of Budget Authority, beginning on p. 288 of H.Rept. 117-99.

Notes: Totals may not add or exactly match source materials due to rounding. The totals include both discretionary budget authority and contract authority (a type of mandatory budget authority provided to DOT that is not included in the bill's discretionary budget authority figure).

b. Of this amount, $695 million for the tenant-based rental assistance account was designated as being for an emergency requirement by Section 420 of Division L.

c. This additional amount for Essential Air Services under DOT was provided in Section 421 of Division L, instead of Title I, and was designated as being for an emergency requirement.

d. As noted in Table Notes a and b, $718 million of the total provided for THUD was deemed an emergency requirement and was thus excluded from the total for purposes of calculating the total subject to discretionary spending limits under the BCA, as amended.

e. Of this amount, $27 billion is for coronavirus-related supplemental emergency funding for DOT, as provided in Division M of P.L. 116-260. The remaining $718 million is designated "emergency" for budget enforcement purposes, as described in Table Notes a-c, but is not related to COVID-19.

Department of Transportation

The majority of DOT's annual funding is established by two periodic authorization acts, one for surface transportation programs and one for aviation programs. Most of the funding for the programs in those acts is drawn from the DOT Highway Trust Fund and the Aviation and Airways Trust Fund, respectively. Highway Trust Fund revenues come largely from fuel taxes and increasingly from transfers from the general fund of the Treasury. Aviation and Airways Trust Fund revenues come largely from taxes on passenger tickets and aviation fuel and some general fund money.

The appearance of COVID-19 in the United States in the spring of 2020 disrupted the finances of airlines and transit agencies. Airline and transit patronage dropped to a fraction of its usual level, as did passenger fare revenues. This was due not only to the impact of the pandemic on the economy, but also to public concern about the risk of transmission of the virus in the confined spaces of airplanes and transit vehicles. As of summer 2021, airline travel has rebounded to a considerable degree, but transit usage is still significantly below the pre-pandemic level.

Administration Budget Request

The Administration's FY2022 budget requested nearly the same amount of funding (less than 1% increase) for DOT as it received through the FY2021 appropriations process. Within that nearly level funding, the notable variations in funding requested compared to FY2021 appropriations include

- Federal Highway Administration: a 4% (+$2 billion) decrease in discretionary funding;

- Federal Railroad Administration: a 72% (+$418 million) increase in funding for rail grants programs, including a new Passenger Rail Improvement, Modernization, and Expansion (PRIME) program;
- Amtrak: a 35% (+$700 million) increase in funding for grants to Amtrak; and
- Federal Transit Administration: a 23% (+$460 million) increase in funding for capital investment grants (including New Starts and Small Starts projects).

H.R. 4550

The House Appropriations Committee recommended $105.7 billion for DOT, a 22% (+$19 billion) increase over the FY2021 enacted amount of $86.709 billion (which was virtually the same as the FY2020 enacted amount). Every agency within the department would receive an increase compared to FY2021. The largest percentage increases would be for the Federal Railroad Administration (+46%, or +$1.3 billion), the National Highway Traffic Safety Administration (+30%, or +$300 million), the Office of the Secretary (+28%, or +$404 million), and the Federal Highway Administration (+27%, or +$13.4 billion). Details of the recommended funding can be found in **Table 3**.

Table 3. Department of Transportation, FY2021-FY2022 Detailed Budget Table

(dollars in millions)

Department of Transportation Selected Accounts	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Office of the Secretary (OST)					
National infrastructure investment (BUILD/TIGER)	1,000	1,000	1,200		
Thriving Communities	—	110	100		
Cyber Security Initiatives	22	39	39		
Payments to air carriers (Essential Air Service)[a]	142	248	248		
Transportation Demonstration Program	100	—	—		
Electric Vehicle Fleet	—	11	11		
All other accounts	183	190	206		
Total, OST	1,443	1,634	1,847		
Federal Aviation Administration (FAA)					
Operations	11,002	11,434	11,434		
Facilities & equipment	3,015	3,410	3,416		
Research, engineering, & development	198	259	261		
Grants-in-aid for airports (Airport Improvement Program) (limitation on obligations)	3,350	3,350	3,350		
Airport Discretionary Grants	400	—	400		
Total, FAA	17,965	18,453	18,861		

Department of Transportation Selected Accounts	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Federal Highway Administration (FHWA)					
Federal-Aid Highways (limitation on obligations + exempt contract authority)	47,104	47,104	61,882		
Federal-Aid Highways: discretionary funding	2,000	—	592		
Total, FHWA	49,104	47,104	62,474		
Federal Motor Carrier Safety Administration (FMCSA)					
Motor carrier safety operations and programs	328	288	380		
Motor carrier safety grants to states	390	388	506		
Total, FMCSA	748	676	886		
National Highway Traffic Safety Administration (NHTSA)					
Operations and research	349	401	426		
Highway traffic safety grants to states (limitation on obligations)	623	623	855		
Impaired driving/highway-rail grade crossing safety	17	—	7		
Total, NHTSA	989	1,024	1,289		
Federal Railroad Administration (FRA)					
Safety and Operations	235	248	248		
Railroad Research and Development	41	59	54		
Passenger Rail Improvement, Modernization, and Expansion	—	625	625		
Federal-state Partnership for State of Good Repair	200	—	—		
Consolidated Rail Infrastructure and Safety Improvements	375	375	500		
Magnetic Levitation Program	2	—	5		
Restoration and Enhancement grants	5	—	—		
Amtrak					
Northeast Corridor grants	700	1,300	1,200		
National Network	1,300	1,400	1,500		
Subtotal, Amtrak grants	2,000	2,700	2,700		
Rescission	—	—	*-15*		
Total, FRA	2,821	4,007	4,116		
Federal Transit Administration (FTA)					
Administrative Expenses	121	132	133		
Formula Grants (M)	10,150	10,150	12,150		
Transit Infrastructure Grants	516	550	580		

Department of Transportation Selected Accounts	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Transit Research	—	30	—		
Technical Assistance and Training	8	8	8		
Capital Investment Grants (New Starts)	2,014	2,473	2,473		
Grants to Washington Metropolitan Area Transit Authority	150	150	150		
Rescission	*1,958*	—	*6,734*		
Total, FTA	12,957	13,492	15,487		
Saint Lawrence Seaway Development Corporation	38	38	40		
Maritime Administration (MARAD)					
Maritime Security Program	314	318	318		
Cable Security Fleet	10	—	10		
Tanker Security Fleet	—	60	60		
Operations and Training	156	172	171		
State Maritime Academy Operations	433	358	363		
Assistance to Small Shipyards	20	20	20		
Ship Disposal	4	10	8		
Maritime Guaranteed Loan Program	3	3	3		
Port Infrastructure Development Program	230	230	300		
Total, MARAD	1,170	1,130	1,253		
Pipeline and Hazardous Materials Safety Administration (PHMSA)					
Subtotal	260	282	278		
Emergency preparedness grants (M)	28	—	28		
Offsetting user fees	*-145*	*-155*	*-155*		
Total, PHMSA	288	282	306		
Office of Inspector General	98	103	103		
DOT Totals					
Appropriation (discretionary funding)	25,696	25,770	27,196		
Limitations on obligations (M)	61,392	61,320	78,565		
Subtotal—new funding	**86,156**	**87,089**	**105,762**		
Rescissions	*-379*	*-42*	*-22*		
Net new discretionary funding	**25,317**	**25,728**	**27,175**		
Net new budget authority	**86,709**	**87,047**	**105,740**		
Supplemental emergency funding	27,000[b]	—	—		
Additional appropriations (mandatory)	43,170[c]	—	—		
Net new budget authority (incl. emergency)	**156,879**	**87,047**	**105,740**		

Source: Comparative Statement of New Budget Authority, pp. 264-273 in H.Rept. 117-99 accompanying H.R. 4550; Division G of House Rules Committee Print 117-12; Division L of P.L. 116-260 and accompanying Joint Explanatory Statement, including Comparative Statement of New Budget Authority tables, published in the December 21, 2020, *Congressional Record*, Book IV; and P.L. 117-2.

Notes: Totals may not add due to rounding.

a. In addition to its appropriation, the Essential Air Service program receives funding from overflight fees. For FY2021, those fees were expected to provide an additional $153 million to the program, and the CARES Act (Division M of P.L. 116-260) provided an additional $23 million, for a total of $338 million. Due to the pandemic's effects on aviation the FY2022 estimate for overflight fees is down to $116 million; the proposed increased appropriation would provide a total of $364 million for the program.

b. Provided in the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Division M of P.L. 116-260).

c. Provided in Title VII of ARPA (P.L. 117-2) to "prevent, prepare for, and respond to coronavirus." This legislation was enacted through the budget reconciliation process; as a result, funding provided in this act is classified as mandatory spending, and does not appear in accounts showing discretionary appropriations.

Selected DOT Issues

Authorization of Surface Transportation Programs

Funding authorizations for the federal highway, transit, and passenger rail programs[6] were scheduled to expire at the end of FY2020, and were extended at the FY2020 levels through FY2021, then through FY2022. The Administration requested funding for FY2022 based on those levels. The House Committee on Appropriations recommended increased funding based on levels proposed in pending surface transportation reauthorization legislation, the INVEST in America Act (H.R. 3684, passed by the House on July 1, 2021). The House had recommended similar levels of funding for surface transportation programs in FY2021 based on reauthorization legislation introduced in the 116th Congress; that reauthorization legislation was not enacted, and the final FY2021 funding levels for surface transportation programs were in line with those in FY2020. Congress may further consider legislation reauthorizing the federal surface transportation programs this year; if such legislation is enacted before the FY2022 THUD appropriations bill is enacted, that legislation could affect funding levels in the final THUD bill.

Infrastructure Funding

The House committee bill would provide an increase of roughly $19 billion for transportation infrastructure. About two-thirds of that would go to the Federal Highway Administration, with most of the rest going to the Federal Railroad Administration and Federal Transit Administration. The level of infrastructure funding in the bill could be affected by congressional consideration of legislation reauthorizing the federal surface transportation programs and by broader infrastructure funding legislation proposed by the Biden Administration in the American Jobs Plan[7] and currently under discussion in the Senate.

Multi-Modal Grants

Most DOT funding is provided by mode. The vast majority goes to programs focused on highways, with lesser amounts dedicated to the aviation, transit, rail, and maritime sectors. One of the few programs for which project eligibility is not limited to a single mode is the national infrastructure investment program popularly known as the RAISE discretionary grant program

[6] The authorizations were included in the Fixing American's Surface Transportation (FAST) Act, P.L. 114-94.

[7] https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/.

(previously called TIGER and then BUILD). The House committee bill would increase funding for the program by 20%, from $1.0 billion in FY2021 to $1.2 billion in FY2022, including $40 million for planning grants. This program is popular in part because it is one of the few transportation grant programs that offer communities an opportunity to obtain federal funding directly for local projects without state government involvement, and in part because virtually any transportation project eligible for federal funding is eligible for a grant under this program. The House Appropriations Committee commended DOT for revising the selection criteria for the FY2021 round of grants to include climate change, environmental justice, and racial equity considerations, and included in its recommendations a direction to prioritize projects that improve race and social equity and reduce greenhouse gas emissions in the distribution of funds in FY2022.

Highway Safety

The committee recommended an increase of 37% ($232 million) in highway safety grants to states, divided between formula safety grants and national priority safety incentive grant programs. This increased funding would be drawn from the Highway Trust Fund, and is thus dependent on enactment of surface transportation reauthorization legislation as noted above.

Passenger Rail

The committee recommended an increase of 46% ($1.3 billion) in funding for passenger rail. This would provide $2.7 billion for Amtrak and $1.1 billion for grants to states and other entities for improvements in passenger rail service. This funding is not drawn from the Highway Trust Fund.

Commercial Truck Safety

The congressional mandate[8] for heavy trucks to be equipped with electronic logging devices (ELDs) to track the time worked by drivers went into effect at the end of 2017.[9] The purpose was to improve safety by reducing the incidence of commercial drivers driving while fatigued; this would be achieved by improving compliance with (and enforcement of) the federal hours-of-service limits that limit the amount of time a driver can drive each day and each week. ELDs make it harder for drivers to exceed the limits without detection. Objections from certain sectors of the trucking industry have led Congress to repeatedly bar enforcement of the ELD mandate with respect to livestock haulers in the annual THUD appropriations act. This action has been opposed by safety advocates. The FY2021 House version of the THUD bill did not include this waiver, though the enacted FY2021 THUD act did; the waiver was added to the FY2022 THUD bill by amendment in the House Appropriations Committee markup of the bill.

Department of Housing and Urban Development

Overview

HUD is the nation's housing agency. The programs and activities it administers are designed primarily to address housing problems faced by households with very low incomes or other

[8] Section 32301(b) of the Moving Ahead for Progress in the 21st Century Act (MAP–21), P.L. 112-141.

[9] Federal Motor Carrier Safety Administration, "Final Rule: Electronic Logging Devices," 80 *Federal Register* 78292, December 16, 2015, at https://www.govinfo.gov/content/pkg/FR-2015-12-16/pdf/2015-31336.pdf.

special housing needs and to expand access to homeownership.[10] The largest share of HUD's budget is devoted to its rental assistance programs: Section 8 Housing Choice Vouchers, project-based rental assistance via Section 8, Section 202 and Section 811, and public housing. These programs, which serve nearly 4.6 million households, provide subsidies to allow low-income recipients to pay below-market, income-based rent.

Two flexible block grant programs—the HOME Investment Partnerships grant program and the Community Development Block Grant (CDBG) program—help states and local governments finance a variety of housing and community development activities designed to serve low-income families. Native American tribes receive their own direct housing grants through the Native American Housing Block Grant program.

Other more specialized grant programs help communities meet the needs of homeless persons (through the Homeless Assistance Grants, namely the Continuum of Care and Emergency Solutions Grants programs), including those living with HIV/AIDS (through the Housing Opportunities for Persons with AIDS program). Additional programs fund fair housing enforcement activities and healthy homes activities, including lead-based paint hazard identification and remediation.

HUD's Federal Housing Administration (FHA) insures mortgages made by lenders to homebuyers with low down payments and to developers of multifamily rental buildings containing relatively affordable units. FHA collects fees from borrowers with FHA-insured mortgages, which are used to sustain its insurance funds.

Agency Funding

Nearly all of HUD's funding is provided via discretionary appropriations generally contained in the annual Transportation, HUD, and Related Agencies appropriations legislation. (HUD programs may also receive additional resources from supplemental or other funding measures in some years, most often in response to disasters.) The annual THUD bill provides gross appropriations for HUD programs and activities for a fiscal year. The "cost" of those appropriations, as determined by the Congressional Budget Office's scorekeeping process, is generally reduced by offsetting receipts from the FHA's loan programs and the Government National Mortgage Association (GNMA) securitization of government loans. To a lesser extent, rescissions of prior-year appropriations can also create savings. The gross appropriations provided to HUD, minus savings from offsets and rescissions, result in the net budget authority total, which is used for budget enforcement purposes.

Status of FY2022 HUD Appropriations

As shown in **Table 4**, the President's FY2022 budget request proposed an increase of $8.3 billion (+13.8%) in gross (regular, nonemergency) appropriations for HUD programs and activities relative to FY2021. (Because of an estimated increase in offsets in FY2022, *net* discretionary budget authority—used for budget enforcement purposes—would see a smaller total increase (+$7.1 billion) than gross budget authority. However, gross appropriations is a more accurate measure of the resources available to HUD's programs and activities.) Most of the requested increase ($6.1 billion) is directed to HUD's primary rental assistance programs, which, combined, serve nearly 4.6 million low-income households. However, nearly all HUD programs are

[10] For more information about federal housing assistance programs, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*.

proposed for increases, including HUD grant programs that had been targeted for elimination in budget requests from the Trump Administration.

The House Appropriations Committee bill would increase funding for HUD relative to FY2021, but would provide slightly less than was requested by the President (a difference of $250 million, or less than 1%).

Table 4. Department of Housing and Urban Development, FY2021-FY2022 Detailed Appropriations

(dollars in millions)

Accounts	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Appropriations					
Salaries and Expenses (Mgmt. & Adm.)	1,499	1,681	1,560		
Tenant-Based Rental Assistance (Sec. 8 Housing Choice Vouchers)	25,777[a]	30,442	29,216		
Voucher Renewals (non-add)	*23,080*	*25,001*	*24,951*		
Administrative Fees (non-add)	*2,159*	*2,790*	*2,470*		
Veterans Affairs Supportive Housing (VASH) incremental vouchers (non-add)	*40*	*0*	*20*		
Family Unification Program (FUP) incremental vouchers	*25*	*0*	*25*		
Other Incremental Vouchers (non-add)	*43*	*1,552*	*1,000*		
Mobility services (non-add)	*0*	*491*	*150*		
Public Housing Fund	7,806	8,575	8,640		
Operating Grants (non-add)	*4,839*	*4,887*	*4,897*		
Capital Grants (non-add)	*2,765*	*3,200*	*3,400*		
Climate Resiliency/Utility Grants (non-add)	—	*245*	*100*		
Energy and Water Efficiency s (non-add)	—	*55*	*50*		
Choice Neighborhoods	200	250	400		
Self Sufficiency Programs	155	175	200		
Native American Programs	825	1,000	950		
Native American Housing Block Grants (Formula) (non-add)	*647*	*723*	*722*		
Native American Housing Block Grants (Competitive) (non-add)	*100*	*100*	*150*		
Native American Housing Block Grants (competitive) for energy efficiency and climate resiliency (non-add)	—	*100*	—		
Indian Community Development Block Grants (non-add)	*70*	*70*	*70*		
Indian housing loan guarantee	2	4	4		
Native Hawaiian block grant	2	7	4		

Accounts	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Housing, persons with AIDS (HOPWA)	430	450	600		
Community Development Fund	3,475	3,770	4,688		
CDBG Formula Grants	*3,450*	*3,745*[b]	*3,740*		
SUPPORT for Patients and Communities	*25*	*25*	*25*		
Economic Development Initiatives[c]	—	—	*924*		
HOME Investment Partnerships	1,350	1,850	1,850		
Formula Grants (inc. insular areas)	*1,350*	*1,750*	*1,800*		
Downpayment Assistance	—	*100*	*50*		
Self-Help Homeownership	*60*	60	65		
Self-Help and Assisted Homeownership Opportunity Program	*10*	*10*	*15*		
Section 4 Capacity Building	*41*	*41*	*45*		
Rural Capacity Building	*5*	*5*	*5*		
Veterans Home Rehabilitation and Modification Pilot Program	*4*	*4*	*0*		
Homeless Assistance Grants	3,000	3,500	3,420		
Project-Based Rental Assistance (Sec. 8)	13,465	14,060	14,010		
Contract Renewals	*13,115*	*13,675*	*13,625*		
Contract Administrators	*350*	*355*	*355*		
Service coordinators for the elderly	—	*30*	*30*		
Housing for the Elderly (Section 202)	855	928	1,033		
Housing for Persons with Disabilities (Section 811)	227	272	352		
Housing Counseling Assistance	78	86	100		
Manufactured Housing Fees Trust Fund[d]	13	14	14		
Green Retrofit for Multifamily	—	250	0		
Federal Housing Administration (FHA) Expenses[d]	130	180[e]	150		
Government National Mortgage Assn. (GNMA) Expenses[d]	35	40	36		
Research and technology	105	145	185		
Fair housing activities	73	85	85		
Fair Housing Assistance Program (non-add)	*24*	*56*	*56*		
Fair Housing Initiatives Program (non-add)	*46*	*25*	*25*		
Lead Hazard Reduction	360	400	460		
Information Technology Fund	300	323	278		
Inspector General	137	147	145		

Accounts	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Gross Appropriations Subtotal	*60,358*	*68,694*	*68,444*		
Offsetting Collections and Receipts					
Manufactured Housing Fees Trust Fund	-13	-14	-14		
FHA	-9,244	-9,586	-9,596		
GNMA	-1,439	-2,303[f]	-2,363		
Offsets Subtotal	*-10,696*	*-11,903*	*-11,973*		
Rescission's					
Rental Housing Assistance	-14	—	—		
Native Hawaiian block grant rescission	—	-6	0		
Rescissions Subtotal	*-14*	*-6*	*0*		
Total Net Discretionary Budget Authority	***49,648***[g]	***56,785***	***56,471***		

Source: HUD FY2022 Congressional Budget Justifications; H.R. 4550 and H.Rept. 117-99.

Notes: Totals may not add due to rounding. Only selected set-asides are presented in this table. Figures include advance appropriations available in the fiscal year, rather than provided in the bill.

a. Of this amount, $695 million is designated as being for an emergency requirement by Section 420 of Division L of P.L. 116-260.

b. This amount includes $295 million "for activities targeted to the revitalization of deteriorating or deteriorated neighborhoods and places with the greatest need, as determined by the Secretary," by a separate formula.

c. All funding contained in this set-aside is earmarked for congressionally-requested projects, as described in the text box "Return of Earmarks" earlier in this report.

d. Some or all of the cost of funding these accounts is offset by the collection of fees or other receipts. Those offsets are shown later in this table.

e. Part of this increase would support a temporary expansion of the Good Neighbor Next Door program and a new Home Equity Accelerator Loan pilot. See pp. 28-1 and 28-2 of HUD's FY2022 budget justifications.

f. Includes estimated receipts attributable to a general provision (§230) included in the President's request to allow GNMA to securitize certain state housing finance agency risk-sharing loans. The requested provision was not included in the House committee bill.

g. P.L. 117-2 provided $10.770 billion in additional mandatory funding for HUD programs for COVID-19 response and relief purposes in FY2021. Those funds are not reflected in this table.

Selected FY2022 HUD Appropriations Issues

Rental Assistance Funding

Through various programs utilizing different mechanisms, the federal government subsidizes the rents of nearly 4.6 million low-income households, allowing them to pay affordable, below-market rents, generally set at 30% of a family's income. The vast majority of HUD funding each year is devoted to maintaining these rental assistance programs, which include (from largest to smallest in terms of households served in FY2020):

- Housing Choice Vouchers (2.3 million households (HHs));
- Section 8 project-based rental assistance (1.2 million HHs);
- public housing (880,000 HHs);

- Section 202 Housing for the Elderly (124,000 HHs); and
- Section 811 Housing for Persons with Disabilities (32,000 HHs).[11]

Funding for these rental assistance programs accounts for roughly 80% of HUD's total (gross) appropriations, most of which is used to maintain assistance for currently assisted families.

Although it is estimated that roughly one in four eligible households receives rental assistance, leading to waiting lists for assistance in most communities, expansions of these programs to serve new families have been limited. For many years, new Housing Choice Vouchers (referred to as incremental vouchers) have been funded only for homeless veterans, via the Veterans Affairs Supportive Housing (VASH) program, and for child welfare-involved families and former foster youth, via the Family Unification Program (FUP). While some funding for new Section 202 and Section 811 units has been provided, HUD has no funding or authority to expand the public housing or Section 8 project-based rental assistance programs. One challenge with expanding rental assistance programs has been the need for funding to renew newly created subsidies in subsequent years. In light of caps on domestic discretionary spending, growing renewal costs can lead to difficult trade-offs in the appropriations process.

In response to the COVID-19 pandemic, some of the largest expansions in rental assistance in recent years were funded in FY2021, with mandatory ARPA funding for 70,000 new (albeit temporary) vouchers in response to the COVID-19 pandemic, as well as additional discretionary funding of $43 million in the Consolidated Appropriations Act, 2021, for new incremental vouchers for persons who are homeless or at-risk of homelessness.

For FY2022, the President's budget proposed directing $6.1 billion of the total $7.5 billion in increased funding requested over FY2021 to rental assistance programs. In addition to maintaining assistance to the 4.6 million currently assisted households, part of this increase is intended to fund expansions in rental assistance.

Housing Choice Vouchers

The President's budget request included $1.5 billion in the tenant-based rental assistance account for new incremental Housing Choice Vouchers. Budget documents state this would allow the program to serve an additional 200,000 families, the largest increase since the program was authorized.

The request also included an increase in administrative fee funding ($2.8 billion, or +29% over FY2021) and a new set-aside to fund mobility services to help families relocate to areas of opportunity ($491 million).

The House Appropriations Committee bill would provide $1 billion for new incremental vouchers, which H.Rept. 117-99 estimates would serve 125,000 additional families. While lower than the President's request, this expansion would still be the largest since the program's inception. Additionally, while the President's budget included no funding for new VASH or FUP vouchers, the House Appropriations Committee bill included $20 million for VASH and $25 million for FUP. The House Appropriations Committee bill would increase funding for administrative fees above the FY2021 level (+14%), but not as high as requested, and would fund the new mobility services set-aside, but at a reduced level ($150 million).

[11] HUD FY2022 Congressional Budget Justifications, *Overview of Rental Assistance Programs*, p. 2-1, https://www.hud.gov/sites/dfiles/CFO/documents/5_2022CJ-OverviewofRentalAssistancePrograms.pdf.

Section 202 and Section 811

The President's budget also proposes funding increases for the Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities programs (+$73 million and +$45 million over FY2021, respectively). The President's budget documents note the funding levels requested would be sufficient to create approximately 2,000 new units—1,100 for Section 202 and 900 for Section 811.

The House Appropriations Committee bill would provide more than the requested amount for each program (+$178 million for Section 202 and +$125 million for Section 811 relative to FY2021). H.Rept. 117-99 notes that the amounts provided would be sufficient to fund more than double the President's requested units (2,250 new units for Section 202; 1,800 new units for Section 811).

Public Housing

The President's budget request included "full funding" of the public housing program. That means that the amount requested is estimated to cover the full cost of public housing operating expenses under the operating fund formula, and that the amount requested for capital grants would be sufficient to meet the full estimated annual capital accrual needs in public housing.

The House Appropriations Committee bill would exceed the President's requested funding level for public housing both in terms of operating and capital funding.

Formula Grants

HUD's budget includes funding for a number of formula grants to states, municipalities, and tribes for a range of housing and community development purposes. These include the CDBG programs, which can be used by states and localities for a wide range of community development purposes; the HOME program, which can be used by states and localities for various affordable housing purposes; and the Native American Housing Block Grant to tribes for affordable housing.

The President's budget request includes funding increases relative to FY2021 for each of these programs. Specifically, it would increase CDBG formula grants by $295 million (+8.6%);[12] HOME grants by $400 million (+30%); and NAHBG formula grants by $76 million (+11.7%).

The House Appropriations Committee bill also includes increases for each of these formula grants relative to FY2021. It proposes increasing CDBG formula grants relative to FY2021 by somewhat less than the President's request (+$289 million, or +8.4%),[13] HOME formula grants relative to FY2021 by more than the President's request (+$450 million, or +33%), and NAHBG formula grants relative to FY2021 by slightly less than the request (+$75 million, or +11.6%).

Additionally, for the HOME program, the President's budget requested $100 million for a new down payment assistance grant program; the House Appropriations Committee bill would provide $50 million for this purpose.

[12] The Congressional Budget Justifications note that this requested increase would fund more geographically targeted activities for historically underserved areas, via a separate allocation format in which communities would opt in. For more information, see https://www.hud.gov/sites/dfiles/CFO/documents/18_2022CJ-CommunityDevelopmentFund.pdf#page=4.

[13] The bill did not include the alternate funding formula requested by the President and discussed in footnote 12.

Homelessness

In addition to the broader-purpose formula grants previously mentioned, HUD's budget includes funding for formula and competitive grants specifically to address homelessness, through the Homelessness Assistance Grants account. That account funds the Continuum of Care program grants as well as the Emergency Shelter Grants programs, and through the Housing Opportunities for Persons with AIDS (HOPWA) program.

For FY2022, the President's budget requested funding increases relative to FY2021 for both Homeless Assistance Grants (+$500 million, or +17%) and HOPWA (+$20 million, or +5%). The House Appropriations Committee bill would provide a smaller increase relative to FY2021 than requested for the Homeless Assistance Grants (+$420 million, or +14%), but a larger increase relative to FY2021 than requested for HOPWA (+$170 million or +40%). The committee report notes that the HOPWA funding increase it recommends is designed to allow HUD to hold harmless communities that might otherwise receive a decrease as HUD implements an updated HOPWA formula in FY2022.

Climate Initiative

The Administration attributes $800 million of the $7.1 billion in increased funding it requested for HUD relative to FY2021 to a new climate initiative. The department's budget documents state that the funding will be used for "targeted investments to improve the quality of housing through climate resilience and energy efficiency."[14]

The $800 million is composed of a request for $250 million for a new energy and green retrofit grant program for multifamily housing funded in a new account, as well as set-asides for new or expanded initiatives in a number of existing accounts.

As shown in **Table 5**, the House Appropriations Committee bill would partially fund two of the elements of the climate initiative proposed by the President.

Table 5. HUD Climate Initiative Funding

(dollars in millions)

Account	Activity	President's Request	House Committee Bill	Senate	Enacted
Public Housing Fund	Utility Conservation and Climate Resilience	245	100		
Public Housing Fund	Energy Performance Contracts	55	50		
Choice Neighborhoods	Climate Grants	50	0		
Native American Programs	Energy and Water efficiency competitive grants	100	0		
Green and Resilient Retrofit Program	Green and Resilient Retrofit Program	250	0		
Tenant Based Rental Assistance	Rental Assistance Demonstration	50	0		

[14] HUD FY2022 Congressional Budget Justifications, *Climate Initiative*, p. 3-1, https://www.hud.gov/sites/dfiles/CFO/documents/6_2022CJ_ClimateInitiative.pdf.

Account	Activity	President's Request	House Committee Bill	Senate	Enacted
Project Based Rental Assistance	Rental Assistance Demonstration	50	0		

Source: HUD FY2022 Congressional Budget Justifications, Climate Initiative, p. 3-1, H.R. 4550 and H.Rept. 117-99.

THUD Related Agencies

As shown in **Table 6**, most of the related agencies funded in the THUD bill would have received level or slightly increased funding relative to the prior year under the President's FY2022 budget request, and these requests were supported by the House Appropriations Committee. The notable exception is the Neighborhood Reinvestment Corporation, for which a 3% ($5 million) increase was requested, and for which the House Committee recommended a 12% ($20 million) increase over FY2021.

Table 6. THUD Independent Agencies, FY2021-FY2022

(dollars in millions)

Related Agencies	FY2021 Enacted	FY2022 Request	FY2022 House Committee	FY2022 Senate	FY2022 Enacted
Access Board	9	10	10		
Federal Maritime Commission	30	31	31		
National Railroad Passenger Corporation (Amtrak) Office of Inspector General	25	26	27		
National Transportation Safety Board	118	121	121		
Neighborhood Reinvestment Corporation (NeighborWorks)	165	170	185		
Surface Transportation Board	38	39	39		
Offsetting Collections	-1	-1	-1		
U.S. Interagency Council on Homelessness	4	4	4		
Total	**388**	**400**	**416**		

Source: H.R. 4550 and H.Rept. 117-99.

Note: Totals may not add due to rounding.

Selected Related Agencies Issues

NeighborWorks America

The Neighborhood Reinvestment Corporation (commonly known as NeighborWorks America) was created via federal charter in 1978 to support affordable housing and neighborhood revitalization nationwide through a network of affiliated local organizations. From FY2018-FY2021, the Trump Administration's budget requests to Congress requested only enough funding for NeighborWorks to allow the organization to wind down existing commitments until it ceased

operations. Despite these proposals, Congress continued to fund the organization in the annual appropriations acts. The first budget request of the Biden Administration requested a $5 million increase over the FY2021 enacted level for NeighborWorks. The House Appropriations Committee bill included an even larger increase ($20 million), and designated $25 million of the total funding for a competitive grant program to fund revitalization in areas with concentrations of abandoned or distressed properties.[15]

Author Information

Maggie McCarty
Specialist in Housing Policy

David Randall Peterman
Analyst in Transportation Policy

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[15] See pp. 161-162 of H.Rept. 117-99.