

# House and Senate Make Progress on FY11 Appropriations

## *NLIHC's Memo to Members*

*July 23, 2010*

Congress had a productive week of appropriations work, with both the House and Senate Appropriations Committees passing FY11 Transportation, Housing and Urban Development (T-HUD) spending bills. The Senate Appropriations Committee also marked up its Department of Agriculture bill, which includes funding for rural housing programs (see following article on rural bills).

The House Appropriations Committee's T-HUD mark up took place on July 20, following passage of the bill through the Subcommittee earlier in July. At the full committee mark up, T-HUD Subcommittee Chairman John Olver (D-MA) addressed committee members, saying that the subcommittee bill as passed would ensure that affordable housing opportunities are available to families recovering from the economic downturn.

Chairman Olver offered a manager's amendment to the subcommittee bill that would shift \$145 million in funds from the Tenant Based Rental Assistance line item to the Homeless Assistance Grants line item. Chairman Olver reported that the reason for this is that since the subcommittee mark up, HUD has provided the Subcommittee with revised estimates of funds needed for the tenant-based rental assistance program.

Homeless Assistance Grants were funded at \$2.055 billion in the subcommittee mark. The manager's amendment increased the program to \$2.2 billion, \$2 million below the \$2.4 billion level authorized for the program under the HEARTH legislation that passed in May 2009. NLIHC and others advocated for full funding for the program.

Other committee members offered amendments to the bill including one, offered by the minority party, that would reduce the overall spending level of the bill to its FY09 level, for an 18% cut. Several Members spoke against the amendment, which was defeated. Subcommittee Ranking Member Tom Latham (R-IA) then offered an amendment that would eliminate any increases over the President's request. Chairman Olver argued against this amendment, saying that it is not the role of Congress to rubber stamp a President's budget, but to evaluate and adjust it as needed. This amendment also failed, by a vote of 18 to 36.

The full Committee passed the bill, including the manager's amendment, by voice vote. The Committee is expected to bring the bill to the House floor in the coming weeks.

With the passage of the bill by the full Committee, more information also became available about components of the bill that had earlier passed the Subcommittee. These newly released components, described below, have been incorporated into the full Committee's bill.

Under the Tenant Based Rental Assistance line item, tenant protection vouchers would be funded at \$125 million. This amount is consistent with the President's request and \$5 million more than was provided in FY10. The FY10 enacted level, however, was a decrease from a high of \$200 million provided for the program in FY08. The House would also fund disaster housing assistance vouchers at the President's requested level of \$66 million.

The House bill funds the Project Based Rental Assistance line item at a slightly lower level than the President's budget at \$9.376 billion, also slightly lower than subcommittee mark up summaries indicated.

Of the \$2.5 billion the House would provide for the public housing capital fund, \$20 million would remain available for emergency disaster grants, as requested by the President and as funded in FY10. The Rural Innovation Fund would also be funded at its FY10 level of \$25 million.

Two programs that would receive decreases from FY10 are the Native Hawaiian Housing Block Grant (NHHBG) program and the Economic Development Initiative (EDI) grants. NHHBG would receive only \$10 million in funding, consistent with the President's request for lesser FY11 funds. The EDI grants, which were eliminated in the President's budget, would receive only \$77 million, a decrease from the FY10-enacted level of \$173 million.

Following the T-HUD appropriations mark ups in the House, action quickly moved to the Senate. The Senate Appropriations T-HUD Subcommittee marked up its FY11 spending bill on July 21, and the full Appropriations Committee passed a T-HUD bill the following day by a vote of 17 to 12. The bill that passed the full Committee included a manager's amendment, the details of which were not described at the mark up.

At the July 20 subcommittee hearing, Chairwoman Patty Murray (D-WA) said that the bill focuses on providing housing and services for families who are the most vulnerable. In total, the FY11 Senate bill would allocate the same level of funding to transportation and housing programs as was provided in FY10. As in the House, however, several HUD programs would see increases over the Administration's request. The bill particularly provides support for several programs serving vulnerable populations with special needs.

HUD's major new proposal for addressing the funding and preservation of HUD rental housing, now known as the Preservation, Enhancement, and Transformation of Rental Assistance (PETRA) initiative, would not receive funding in the Senate's bill. The House also chose not to fund PETRA, for which the Administration requested \$350 million.

The Senate bill allocates \$250 million for the Choice Neighborhoods Initiative (CNI) designed to replace HOPE VI. The Senate also proposed funding CNI but not HOPE VI in FY10, but Congress ultimately funded both programs. Even though CNI is funded as a demonstration this year, the House proposed funding only HOPE VI and not CNI.

The Senate bill would provide \$19.5 billion for the Tenant Based Rental Assistance line item, \$55 million below the President's request. This line item includes funding for voucher renewals, which would be funded at \$17.2 billion. The Senate figure allocates 1% of the fund for HUD's Transformation Initiative.

As with the House, the Senate bill would fund vouchers for special populations, including people with disabilities, people experiencing homelessness, and veterans. Like the House, the Senate's bill also restores the Veterans Affairs Supported Housing (VASH) program to its FY10 level of \$75 million. VASH was not included in the Administration's request. Senate Subcommittee Chairwoman Patty Murray (D-WA) and Ranking Member Kit Bond (R-MO) made clear in a joint hearing with the VA Subcommittee their intent to continue funding for the VASH program.

The Family Unification Program (FUP), which was not included in the President's request, would receive \$15 million, the FY10 funding level.

The Senate's bill would also provide \$85 million for HUD's proposed Housing and Services for Homeless Persons Demonstration. This amount is consistent with both the Administration's request and the House bill.

Mainstream vouchers for the Section 811 Supportive Housing for People with Disabilities program were also included in the Senate's bill, at the \$114 million level requested by the Administration and included in the House bill. These funds were formerly included in the Section 811 line item but were moved by the Administration in an attempt to streamline voucher funding requests.

The Senate bill funds the Section 811 program at \$200 million, below the House level of \$300 million. The Administration requested only \$90 million for the capital advance portion of the program, instead of its FY10 level of \$186 million. Members of both the House and Senate expressed their intent to continue funding the Section 811 program despite the Administration's proposed cut. The Senate level of \$200 million, along with the \$114 million in rental assistance, would boost the program by \$14 million above FY10 levels. The House bill would increase the program by \$114 million.

The Senate would also fund the Section 202 Supportive Housing for the Elderly program at the FY10 level of \$825 million, again disregarding the Administration's proposed cuts.

The Senate bill does not follow the House bill's lead in increasing funds for the Housing Opportunity for Persons with AIDS (HOPWA) program, and provides funding only at the level requested by the President, \$340 million.

Also following the Administration's request, the Senate bill includes \$2.06 billion for the Homeless Assistance Grants line item. The House Subcommittee included this amount for the grants in its mark, but the full Committee increased the amount to \$2.2 billion, closer to the full authorization level of \$2.4 billion.

Similar to the House bill and the Administration's request, the Senate bill would provide \$4.8 billion for the public housing operating fund and \$2.5 billion for the public housing capital fund. The Senate also included \$9.4 billion for the project based rental assistance program, consistent with the House and President's request.

The Community Development Block Grant program would be funded at \$3.99 billion, consistent with the House bill and the Administration's request.

Despite the President's request of lower funding for the HOME and Native American Housing Block Grant (NAHBG) programs, the Senate bill would fund them at the FY10 levels of \$1.825 billion and \$700 million, respectively, in line with the House bill's levels.

The Senate bill increases housing counseling assistance to \$100 million, \$12 million above the FY10 level, the President's request and the House bill.

View NLIHC's updated budget chart at: <http://www.nlihc.org/doc/FY11-Budget-Chart.pdf>

View the House Appropriations Committee summary materials at: [http://appropriations.house.gov/index.php?option=com\\_content&view=article&id=696:2011-transportation-housing-and-urban-development-appropriations-full-committee-bill-&catid=181:press-releases&Itemid=4](http://appropriations.house.gov/index.php?option=com_content&view=article&id=696:2011-transportation-housing-and-urban-development-appropriations-full-committee-bill-&catid=181:press-releases&Itemid=4)

View the House bill at: <http://www.nlihc.org/doc/House-approps-bill-7-21-10.pdf>

View the Senate Subcommittee mark summary at: <http://appropriations.senate.gov/news.cfm?method=news.view&id=a99f2a12-649b-4fa4-bc43-f58303b4e142>

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