

## **Investing in Smart Growth + Sustainable Communities**

### **Overview of Key Programs in the Obama Administration's FY 2011 Budget**

#### **BUDGET PROPOSES NEW INVESTMENT IN SUSTAINABLE COMMUNITY PROGRAMS**

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President Obama sent his blueprint for federal spending in FY 2011 to Congress. Despite an overall freeze in non-security domestic spending, the budget calls for significant and vital new investment in good planning, sustainable development, and livable communities. Across agencies, the budget proposes more than \$1.1 billion for sustainability initiatives. The budget also calls for \$6 billion in new infrastructure, high speed rail and affordable housing investment.

#### **US Department of Housing and Urban Development Smart Growth Highlights**

##### **\$150 million for the Sustainable Communities Initiative.**

For FY11, the Sustainable Communities Initiative will have four "components":

- Sustainable Communities Planning Grants
- Sustainable Communities Challenge Grants
- Creation of a Capacity Building Program and Tools Clearinghouse
- Joint HUD-DOT-EPA Research Effort on Transportation and Housing Linkages

**\$150 million for Catalytic Investment Competition Grants.** This new program within CDBG is a competitive grant program designed to support leverage other federal investment and support "job creation and large scale transformative projects in hard hit neighborhoods" through:

- Reclaiming vacant property and create green infrastructure
- Removing property-related obstacles to recovery
- Facilitating economic development and neighborhood vitality in targeted neighborhoods
- Supporting Transit Oriented Development

The budget again proposes eliminating the BEDI program. No funding was proposed for a third round of NSP grants.

**\$250 million for Choice Neighborhoods.** Choice Neighborhoods was funded as a \$65 million pilot in FY2010. The grant program replaces HOPE VI and aims to transform distressed neighborhoods into sustainable, mixed-income communities by linking housing with key services and public assets. Up to 10% of funds would be available for planning grants. Partnerships between local government and non-profits are encouraged. The Department of Education would partner with HUD on Choice Neighborhoods through the Promise Neighborhoods Initiative.

**\$60 million for a "revamped" Capacity Building Program.** The budget proposes consolidating and expanding HUD's local capacity building efforts.

**\$1 billion for National Housing Trust Fund.** The trust fund was created in 2008 but the intended source of capital was GSE revenues. With the receivership of the GSEs, a new source of funding is needed. The trust fund would support the construction and rehabilitation of affordable housing.

**Shifting Focus to Rental Assistance and Limiting Capital Support in FY 2011.** The budget fully funds Section 8 vouchers and launches a "Transforming Rental Assistance" initiative. Cuts are proposed in the HOME, Public Housing Capital fund, Sec 202, and Sec 811 programs.

**U.S. Department of Housing & Urban Development – FY 2011 Budget Summary**  
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<b>Program</b>	<b>FY 2009</b>	<b>ARRA</b>	<b>FY 2010</b>	<b>FY2011</b>	<b>+/- ('10 and '11)</b>
Community Development Block Grants (CDBG)	\$3.9 billion	\$1 billion	\$4.45 billion	\$4.4 billion	-\$50 million
<i>Sustainable Communities Initiative</i>	-	-	\$150 million	\$150 million	0
<i>Rural Innovation</i>	-	-	\$25 million	\$0	-\$25 million
<i>University Community Fund</i>	-	-	\$25 million	\$25 million	0
<i>Catalytic Investment Competition Grants</i>	-	-	-	\$150 million	NEW
Energy Innovation Fund	-	-	\$50 million	\$0	-\$50 million
HOPE VI	\$120 million	-	\$200 million	\$0	-\$200 million
Choice Neighborhoods	-	-	\$65 million	\$250 million	+\$185 million
BEDI	\$10 million	\$0	\$17.5 million	\$0	-\$17.5 million
HOME	\$1.8 billion	\$2.25 b.	\$1.8 billion	\$1.65 billion	-\$150 million
Total Tenant-Based Rental Assistance	\$16 billion	\$2 billion	\$18.184 billion	\$19.551 billion	+\$1.367 billion
Public Housing Capital	\$2.45 billion	\$4 billion	\$2.5 billion	\$2.044 billion	-\$456 million
Public Housing Operating	\$4.45 billion	-	\$4.775 billion	\$4.829 billion	+\$54 million
Housing Trust Fund	-	-	\$0	\$1 billion	+\$1 billion
Policy Development & Research	\$58 million	-	\$48 million	\$87 million	+\$39 million
Section 8 Tenant Based	\$17 billion	-	\$18.2 billion	\$19.55 billion	+\$1.35 billion
Section 8 Project Based	\$7.1 billion	-	\$8.5 billion	\$9.286 billion	+\$786 million
Transforming Rental Assistance	-	-	-	\$350 million	NEW