

Department of Housing and Urban Development (HUD): FY2023 Budget Request Fact Sheet

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Introduction

This report provides a brief overview of the President's FY2023 budget request for the Department of Housing and Urban Development (HUD). It links to relevant Administration budget documents and Congressional Research Service (CRS) reports.

This report will not be updated to track legislative action during the appropriations process.

Department of Housing and Urban Development

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

- 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 FY2023 HUD Budget Request

On March 28, 2022, the Biden Administration submitted its FY2023 budget request to Congress.

- For more information about HUD's budget request, see FY2023 Budget Appendix-HUD.
- For additional detail about funding levels for specific programs and activities, see HUD's FY2023 Congressional Budget Justifications.
- For a comparison of FY2023 requested funding levels and FY2022 enacted funding levels for selected HUD accounts, see **Table 1**.

Gross Budget Authority

The President's FY2023 request proposes \$71.9 billion in *gross* discretionary appropriations for HUD, which would be the amount of new funding, or budget authority, available for HUD programs and activities, not accounting for budgetary savings from offsets and other sources. This amount is about \$6.2 billion (9%) more than the \$65.7 billion in gross discretionary appropriations provided in the Consolidated Appropriations Act, 2022 (P.L. 117-103) (**Figure 1**).

Several accounts are slated for funding increases in the President's FY2023 budget. The largest relative increase is for the HOME Investment Partnerships program (+30%; +\$450 million relative to FY2022), and the largest overall increase is for the tenant-based rental assistance account, which funds the Section 8 Housing Choice Voucher program (+\$4.8 billion; +17% relative to FY2022).

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 FY2023 budget provides a larger increase relative to FY2022 than the increase in *gross* budget authority. As shown in **Figure 1**, accounting for these savings, the President's FY2023 budget

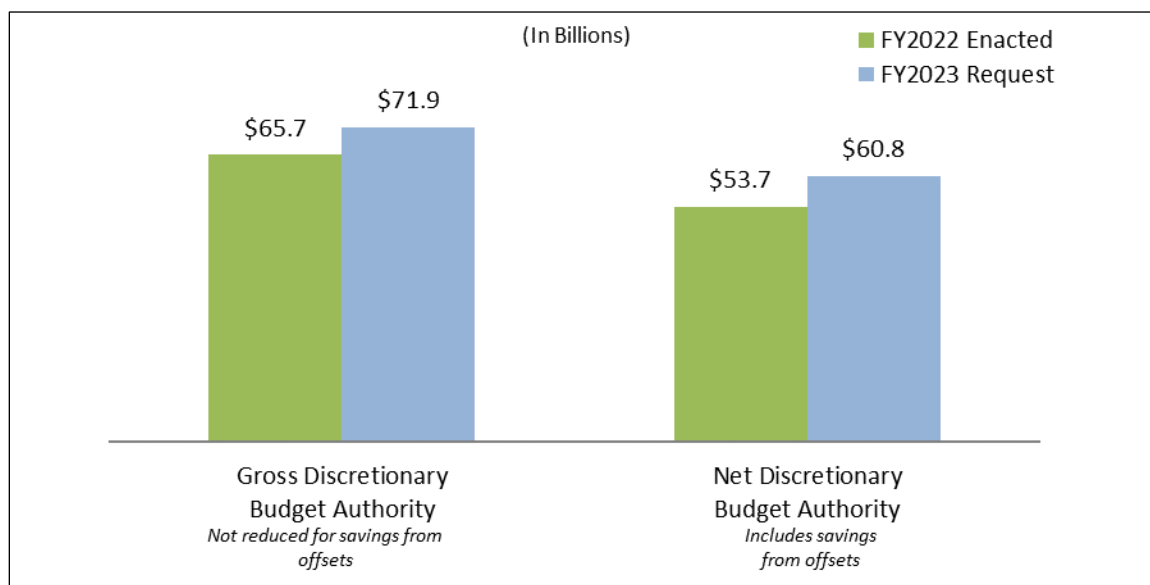
requests \$60.8 billion in *net* discretionary funding for HUD, an increase of about \$7.1 billion (13%) compared with the net budget authority provided in FY2022. The gross budget authority generally best reflects the amount of new funding available for HUD's programs and activities in a year, whereas net budget authority is important for budgetary scorekeeping and compliance with statutory spending limitations.

Offsetting Receipts

The *net* increase from FY2022 enacted to FY2023 requested amounts is larger than the *gross* increase because available offsets are estimated to be less in FY2023 than in FY2022. Specifically, there is an estimated \$867 million (7%) decrease in budget savings, from \$12 billion in FY2022 to \$11.1 billion in FY2023, available from offsetting collections and receipts. This decrease is largely attributable to projected declines in offsetting receipts from mortgages insured by the Federal Housing Administration (FHA) in FY2023 relative to FY2022. Please note that these estimates of offsetting collections and receipts for FY2023 will likely change when the Congressional Budget Office reestimates 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 I. Total HUD Discretionary Funding With and Without Savings from Offsets and Other Sources: FY2022 Enacted and FY2023 Request



Sources: Chart prepared by the Congressional Research Service (CRS). FY2022 and FY2023 figures taken from FY2023 President's budget documents, Department of Housing and Urban Development (HUD) Congressional Budget Justifications, and Consolidated Appropriations Act, 2022 (P.L. 117-103).

Note: Figures exclude emergency funding.

Proposed Funding Increases

The majority of HUD programs are proposed for funding increases in the FY2023 request relative to FY2022 enacted appropriations. Those with the largest proposed dollar increases include the following:

- **Tenant-Based Rental Assistance** (Section 8 Housing Choice Vouchers), proposed for a \$4.8 billion (17%) increase, provides funds to private landlords on behalf of low-income households. Of this amount, \$1.5 billion is to fund new incremental vouchers for households experiencing homelessness or at risk of homelessness.
- **Project-Based Rental Assistance** (Project-Based Section 8), proposed for a \$1 billion (8%) increase, funds long-term rental assistance contracts with owners of project-based Section 8 properties.
- **HOME Investment Partnerships Program**, proposed for a \$450 million (30%) increase, provides formula grants to states and eligible localities for various affordable housing activities targeted to low-income households. This amount includes a \$100 million set-aside for the FirstHOME down payment assistance initiative.
- **Homeless Assistance Grants**, proposed for a \$363 million (11%) increase, provide funds to local communities for a variety of housing and related services for individuals and families experiencing or at risk of homelessness.
- **Public Housing Fund**, proposed for a \$329 million (4%) increase, provides grants to public housing agencies to fund public housing costs.
- **Community Development Block Grants**, proposed for a \$250 million (8%) increase, provide formula grants to states and localities for a variety of community and economic development activities.¹

New Initiatives

The FY2023 budget also requests funding for new initiatives to improve the climate resilience and energy efficiency of HUD housing and to address critical shortages in affordable housing supply:

- **Green and Resilient Retrofit Program** includes \$245 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.
- **Housing Supply Fund** is a legislative initiative that would provide \$35 billion over 10 years in new mandatory funding to address affordable housing shortages. This includes \$25 billion for grants to state and local housing finance agencies and their partners to fund affordable housing production and \$10 billion in grants to state and local governments to address barriers to affordable housing

¹ The Community Development Block Grant (CDBG) program is funded through the Community Development Fund account. The FY2023 budget request for the Community Development Fund reflects a \$1.1 billion (22%) decrease in funding relative to the FY2022 enacted budget authority, which is attributable to the \$1.5 billion in Economic Development Initiative earmarks that were included in the final FY2022 appropriations law not being included in the FY2023 budget request. This does not affect CDBG program funding and the FY2023 budget reflects a funding increase for CDBG, relative to FY2022 enacted appropriations.

development. These proposed mandatory funds are being requested outside of the annual discretionary appropriations process and would require additional legislative activity.

Table 1. FY2022 Enacted Funding and FY2023 Request: Selected HUD Accounts
(in billions of dollars)

Accounts	FY2022 Enacted	FY2023 Request	% Change, FY2022- FY2023 Request
Salaries and Expenses (Mgmt. & Adm.)	1.588	1.796	13%
Tenant-Based Rental Assistance (Section 8 Housing Choice Vouchers)	27.370	32.130	17%
Public Housing Fund	8.452	8.780	4%
Choice Neighborhoods	0.350	0.250	-29%
Family Self Sufficiency	0.159	0.175	10%
Native American Programs	1.002	1.000	0%
Native Hawaiian Block Grant	0.022	0.010	-55%
Housing Opportunities for Persons with AIDS (HOPWA)	0.450	0.455	1%
Community Development Block Grant (CDBG)	3.300	3.550	8%
HOME Investment Partnerships	1.500	1.950	30%
Self-Help Homeownership (SHOP)	0.063	0.060	-5%
Homeless Assistance Grant	3.213	3.576	11%
Project-Based Rental Assistance (Project-Based Section 8)	13.940	15.000	8%
Housing for the Elderly	1.033	0.966	-6%
Housing for Persons with Disabilities	0.352	0.288	-18%
Housing Counseling Assistance	0.058	0.066	14%
Green and Resilient Retrofit Program (new)	0.000	0.245	N/A
Research and Technology	0.145	0.145	0%
Fair Housing Activities	0.085	0.086	1%
Office, lead hazard control	0.415	0.400	-4%

Sources: Table prepared by CRS. FY2022 and FY2023 figures taken from FY2023 President's budget documents, HUD Congressional Budget Justifications, and Consolidated Appropriations Act, 2022 (P.L. 117-103).

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