

Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2023

Updated May 3, 2023



Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2023

The House and the 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.

President Biden's FY2023 budget proposed increasing discretionary funding for THUD agencies by 9.6% (+\$7.8 billion) from FY2022 levels. The bulk of that increase was directed to HUD (+\$7.9 billion, +14.6%), primarily for increased funding for HUD rental assistance programs (+\$6 billion). DOT would receive a decrease of \$105 million in discretionary funding, but an additional \$1.6 billion (+2.1%) in mandatory funding.

On June 30, 2022, the House Appropriations Committee approved its version of a THUD appropriations bill (H.R. 8294; H.Rept. 117-402). The bill included a larger increase in overall discretionary funding for THUD agencies than the President's budget request, with larger increases than requested for both HUD (+16.7%, +\$9.0 billion) and DOT (+3.1%, +\$833 million) compared to FY2022. The text of several other appropriations bills were added to the THUD bill and the resulting consolidated appropriations bill was passed by the House on July 20.

While the Senate never formally considered its own FY2023 THUD legislation, on July 28, 2022, the chair of the Senate Appropriations Committee released a majority draft of the THUD bill and accompanying draft report language. According to the chair, the purpose of this release was to advance negotiations toward enacting final full-year appropriations. That same day, the chair of the THUD Subcommittee introduced S. 4670, the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act of 2023, which appeared to be identical to the draft text released by the full committee chair. This bill recommended a smaller increase in discretionary funding compared to FY2022 than was requested in the President's budget for HUD (+11%, +\$5.9 billion) and a larger increase than requested for DOT (+7.7%, +\$2.1 billion).

Following a series of continuing resolutions, final FY2023 appropriations were enacted in the FY2023 Consolidated Appropriations Act (P.L. 117-328). Regular THUD funding was included as Division L; additionally, emergency-designated supplemental appropriations were provided for several THUD accounts in Division N. In terms of regular appropriations provided in Division L, THUD agencies overall were provided with \$87.3 billion in discretionary funding, a 7.8% increase over FY2022. Not accounting for emergency funding provided in Division N, DOT received \$28.7 billion (+6.6% compared to FY2022), HUD received \$58.2 billion (+8.4% compared to FY2022), and the related agencies received \$420 million (+5.4% compared to FY2022). Division N provided \$1 billion for DOT and \$6.6 billion for HUD in supplemental funding designated as for an "emergency requirement" and therefore not subject to discretionary spending limits.

Outside of the regular appropriations process, DOT received an additional \$36.8 billion in funding for FY2023 as a result of the supplemental funding provided in Division J, Title VIII of the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). DOT received an additional amount in FY2022 and is scheduled to receive similar additional amounts through FY2026.

SUMMARY

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he House and the 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 FY2023 annual appropriations for THUD, including detailed tables for each major agency and a brief overview of selected issues.

FY2023 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. From there, the subcommittees of the House and Senate Committees on Appropriations generally begin action on each of the 12 appropriations bills. While each bill reported out of the Appropriations Committee may receive floor consideration individually, in recent years it has been more common for bills to be considered in combination with one another in consolidated or omnibus appropriations acts.

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 FY2023 budget submission was delayed until March 28, 2022.

The framework for budget enforcement under the congressional budget process currently involves procedural elements, primarily associated with the budget resolution.² The budget resolution limits 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").

As of the cover date of this report, a FY2023 budget resolution has not been agreed to by the House and the Senate. In the absence of a budget resolution, the House provided for budget enforcement prior to initial floor consideration of the FY2023 appropriations measures by adopting a deeming resolution, H.Res. 1151, on June 8, 2022.³ This resolution provided for 302(a) allocations to the House Appropriations Committee at a specified level, provided limits on advance appropriations,⁴ and allowed adjustments to those allocations for "emergency requirements" and other purposes. Pursuant to this resolution, the chair of the House Budget Committee, Representative Yarmuth, published in the *Congressional Record* the House

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¹ The White House, "Statement by President Joe Biden on the FY2023 Budget," press release, March 28, 2022, https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/28/statement-by-president-joe-biden-on-the-fy-2023-budget/.

² In the recent past, budget enforcement had both statutory and procedural elements. The statutory elements 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 in place for FY2023.

³ 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*.

⁴ Advance appropriations become available for obligation one or more fiscal years after the budget year covered by the appropriations act. The FY2023 THUD appropriations bill generally would contain advance appropriations for FY2024 for two HUD programs. For further information, see CRS Report R43482, Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations.

Appropriations Committee allocations on June 21, 2022.⁵ The House Appropriations Committee reported initial 302(b) suballocations for all 12 subcommittees on June 24 (H.Rept. 117-398).⁶ The Senate has not taken similar action to establish Senate Appropriations Committee allocations.⁷

Table 1 shows the suballocation to the THUD Subcommittees, compared to the applicable FY2022 enacted level, the President's FY2023 budget request and FY2023 enacted figures.

Table 1. FY2023 THUD 302(b) Suballocations in Context

(dollars in billions)

| | FY2022 | President's FY2023 | House | Senate | FY2023 |
|----------------|---------|--------------------|---------------|---------------|---------|
| | Enacted | Request | FY2023 302(b) | FY2023 302(b) | Enacted |
| THUD Totals | 81.038 | 88.811 | 90.888 | NA | 87.332 |

Source: FY2022 Enacted and President's FY2023 Request figures taken from the Comparative Statement of New Budget Authority table, as published in H.Rept. 117-402, pp. 503, 532. Final FY2023 figures taken from P.L. 117-328 and the explanatory statement accompanying H.R. 2617, as amended, as published in the *Congressional Record* on December 20, 2022, adjusted to exclude emergency appropriations.

Note: Emergency appropriations are excluded to provide for comparability across figures.

FY2023 THUD Appropriations Process

President's Budget

As noted earlier, the President's FY2023 budget was submitted to Congress on March 28, 2022. It included the following:

- \$104.5 billion for DOT (+1.5% over FY2022), including \$26.8 billion in discretionary funding and \$77.6 billion in mandatory funding;
- \$61.6 billion for HUD, a \$7.9 billion (+14.6%) increase in net funding over FY2022; and
- \$416 million for the related agencies, a 4.6% increase over FY2022.

House Action

On June 30, 2022, the House Appropriations Committee approved its FY2023 THUD appropriations bill, H.R. 8294. This was preceded by THUD Subcommittee approval on June 23. Subsequently, the text of H.R. 8294 was amended to include the text of five other appropriations measures. The revised bill, retitled the FY2023 Consolidated Appropriations Act, was approved by the House on July 20, 2022.

⁵ "Publication of Budgetary Material," *Congressional Record*, daily edition, Vol. 168, No. 105 (June 21, 2022), pp. H5731-H5732.

⁶ Suballocations are commonly adjusted through the appropriations cycle to account for changing priorities. As of the cover date of this report, they were most recently amended on July 1, 2022, by H.Rept. 117-398.

⁷ For a discussion of budget enforcement through methods such as H.Res. 1151, see CRS Report R47175, *Setting Budgetary Levels: The House's FY2023 Deeming Resolution*.

As passed by the House, the consolidated measure proposed the following:

- \$105.4 billion for DOT (+\$2.4 billion, +2.4% from FY2022), including \$27.8 billion in discretionary funding and \$77.6 billion in mandatory funding;
- \$62.7 billion for HUD (+\$9.0 billion, +16.7% from FY2022); and
- \$436 million for the related agencies (+\$38 million, +9.5% from FY2022).

Senate Action

On July 28, 2022, the chairman of the Senate Appropriations Committee released a chairman's mark for each of the 12 appropriations bills, including draft committee reports. The same day, the chairman of the THUD Subcommittee introduced S. 4670, which contained the text of the chairman's mark for THUD. It proposed the following:

- \$106.6 billion for DOT (+\$3.7 billion, +3.6% from FY2022), including \$29.0 billion in discretionary funding and \$77.6 billion in mandatory funding;
- \$59.6 billion for HUD (+\$5.9 billion, +11.0% from FY2022);
- \$419 million for the related agencies, (+\$21 million; +5.4% from FY2022); and
- \$1.4 billion in emergency funding for disaster recovery via HUD's Community Development Block Grant Disaster Recovery (CDBG-DR) program.

Continuing Resolutions

Because full-year appropriations were not enacted before the start of the fiscal year, a series of continuing resolutions were enacted to continue government operations.

On September 30, 2022, the President signed into law the FY2023 Continuing Appropriations and Ukraine Supplemental Appropriations Act (P.L. 117-180). It continued funding for federal programs and activities through the earlier of enactment of final FY2023 appropriations measures on December 16, 2022. It contained several THUD-related anomalies, including:

- Section 153 extended through the end of FY2023 HUD's Market-to-Market program, which was slated to be repealed at the end of FY2022;
- Section 155 provided \$2 billion in emergency disaster recovery funding via HUD's Community Development Block Grant Disaster Recovery (CDBG-DR) program, to address unmet recovery needs in communities experiencing major disasters in calendar years 2021 and 2022;
- Section 156 authorized HUD to transfer funding from the Project-Based Rental Assistance account to the Rental Housing Assistance account to address a funding shortfall related to the Section 236 Interest Reduction Payment program; and
- Section 157 extended the availability of funds awarded by DOT under the National Infrastructure Investment Grants program.
- The date of the CR was extended twice; through December 23rd by P.L. 117-229 and through December 30th by P.L. 117-264.

Final Action

• On December 29, 2022, the FY2023 Consolidated Appropriations Act was signed into law (P.L. 117-328). Divisions A-L contained all 12 regular appropriations

acts; THUD was funded in Division L. Other divisions of the bill contained supplemental appropriations and other matters.⁸ Division N, the Disaster Relief Supplemental Appropriations Act, 2023, included funding designated as for emergency requirements for both DOT and HUD accounts.

The law provided \$87.3 billion in non-emergency discretionary funding in Division L for THUD agencies (+7.8% over FY2022), including:

- \$28.7 billion for DOT (+6.6% compared to FY2022),
- \$58.2 billion for HUD (+8.4% compared to FY2022), and
- \$420 million for related agencies (+5.4% compared to FY2022).

In addition, Division N provided \$1 billion in supplemental funding designated as emergency requirements for DOT and \$6.6 billion designated as emergency requirements for HUD. Of the supplemental funding provided to HUD, \$3 billion was for disaster relief and recovery via the Community Development Block Grant Disaster Recovery (CDBG-DR) program and \$3.6 billion was funding to support regular program operations in the Housing Choice Voucher program and the project-based Section 8 rental assistance program.

Table 2 tracks FY2023 THUD funding at the bill title level.

Table 2.THUD Appropriations by Bill Title, FY2022-FY2023 (dollars in millions)

| | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|-----------------------------|-------------------|---------------------|-----------------|---|---------------------|
| Title I: DOT | 102,947 | 104,455 | 105,393 | 106,635 | 106,349 |
| Discretionary | 26,946 | 26,841 | 27,779 | 29,020 | 28,735 |
| Mandatory | 76,002 | 77,614 | 77,614 | 77,614 | 77,614 |
| Title II: HUD | 53,694 | 61,554 | 62,673 | 59,608a | 58,178 ^b |
| Title III: Related Agencies | 398 | 416 | 436 | 419 | 420 |
| Total Discretionary | 81,038 | 88,811 | 90,888 | 89,048 | 87,332 |
| Total Mandatory | 76,002 | 77,614 | 77,614 | 77,614 | 77,614 |
| Total | 157,085 | 166,425 | 168,502 | 168,109 | 164,946 |
| Additional Appropriations | 44,536° | 36,811 ^d | 36,811d | 38,258e | 46,451 ^f |

Source: FY2022 Enacted, FY2023 President's Request and FY2023 House figures are taken from the Comparative Statement of New Budget Authority table, as published in H.Rept. 117-402, adjusted for floor amendments; FY2023 Senate Chairman's Mark figures are taken from S. 4670 and the draft committee report released by the Chairman at https://www.appropriations.senate.gov/imo/media/doc/THUDFY23RPT.pdf. Final FY2023 figures taken from P.L. 117-328 and the explanatory statement accompanying H.R. 2617, as amended, as published in the *Congressional Record* on December 20, 2022.

⁸ For example, Title VI of Division AA contains statutory changes related to fire safety in federally-assisted housing.

Notes: Totals may not add or exactly match source materials due to rounding. 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). Amounts noted as "emergency" are excluded when calculating total funds countable towards 302(b) allocation.

- a. Excludes \$1.447 billion in emergency spending, shown under "Additional Appropriations" later in this table.
- b. Excludes \$2 billion in emergency disaster CDBG-DR funding provided by P.L. 117-180 and \$6.623 billion in supplemental funding for HUD provided in Division N of P.L. 117-328, shown under "Additional Appropriations" later in this table.
- c. Includes appropriations provided to DOT and HUD through the Disaster Relief Supplemental Appropriations Act, 2022 (Division B, Title VII of P.L. 117-43) and Division J, Title VIII of the IIJA (P.L. 117-58).
- d. Reflects additional appropriations provided to DOT in Division |, Title VIII of the IIIA (P.L. 117-58).
- e. Includes \$1.447 billion in emergency funding for HUD's CDBG-DR program for disaster recovery grants proposed by S. 4670 and \$36.81 billion in additional appropriations provided to DOT in Division J, Title VIII of the IIJA (P.L. 117-58).
- f. Includes \$7.6 billion in supplemental appropriations designated as an emergency requirement provided by Division N of P.L. 117-328; \$2 billion in enacted funding from Section 155 of the FY2023 Continuing Appropriations and Ukraine Supplemental Appropriations Act (P.L. 117-180) for CDBG-DR for unmet needs arising from disasters declared in 2021 and 2022; \$1 billion appropriated to HUD by Title III of the Inflation Reduction Act (P.L. 117-169) for "Improving energy efficiency or water efficiency or climate resilience of affordable housing"; and \$36.811 billion in additional appropriations provided to DOT in Division J, Title VIII of the IIJA (of P.L. 117-58).

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.

Administration Budget Request

The Administration's FY2023 budget requested a 1.5% (+\$1.5 billion) increase for DOT over the amount it received through the regular FY2022 appropriations process. Within that request, the notable variations in funding requested compared to regular FY2022 appropriations include the following:

- National Infrastructure Investment program: a 94% (+\$725 million) increase in funding for the RAISE grant program;
- Federal Railroad Administration: an 86% (+\$625 million) increase in funding for state rail grant programs;
- Amtrak: a 29% (+\$669 million) increase in funding for grants to Amtrak;
- Federal Transit Administration: a 27% (+\$602 million) increase in funding for capital investment grants (including New Starts and Small Starts projects); and
- Federal Highway Administration: a 2% (-\$1.2 billion) decrease in funding.

Congressional Action

The House Appropriations Committee recommended \$105.4 billion for DOT for FY2023, a 2.4% (+\$2.4 billion) increase from the FY2022 enacted amount of \$102.9 billion and 0.9% (+\$938 million) over the President's request (\$104.5 billion), and the House-passed bill reflected this recommendation. Every agency within the department, save the Maritime Administration, would receive an increase compared to FY2022. The Senate Appropriations Committee chair's draft proposed a 3.6% (+\$3.7 billion) increase over FY2022, which would have been 2.1% more than the President's request. The enacted bill provided \$106.3 billion for DOT, +3.3% (\$3.4 billion) over FY2022 and +1.8% (\$1.9 billion) over the President's request. Details are provided in **Table 3**.

Table 3. Department of Transportation, FY2022-FY2023 Detailed Appropriations (dollars in millions)

| | | | | 5 \(2002 | |
|--|-------------------|-------------------|-----------------|---|-------------------|
| DOT Selected Accounts | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
| Office of the Secretary (OST) | | | | | |
| National infrastructure investment (RAISE/BUILD/TIGER) | 775 | 1,500 | 775 | 1,090 | 800 |
| Cyber Security Initiatives | 39 | 48 | 48 | 48 | 48 |
| Payments to air carriers (Essential Air Service) ^a | 350 | 369 | 355 | 369 | 355 |
| Thriving Communities Initiative | 25 | 111 | 100 | 25 | 25 |
| Electric Vehicle Fleet | _ | 16 | 11 | 16 | _ |
| All other accounts | 258 | 295 | 293 | 301 | 295 |
| Total, OST | 1,447 | 2,339 | 1,582 | 1,844 | 1,523 |
| Federal Aviation Administration (FAA) | | | | | |
| Operations | 11,414 | 11,934 | 11,870 | 11,901 | 11,915 |
| Facilities & equipment | 2,893 | 3,015 | 2,900 | 3,060 | 2,945 |
| Research, engineering, and development | 249 | 261 | 261 | 266 | 255 |
| Grants-in-aid for airports (Airport Improvement Program) (limitation on obligations) | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| Airport Discretionary Grants | 554 | _ | 273 | 517 | 559 |
| Total, FAA | 18,460 | 18,559 | 18,653 | 19,094 | 19,024 |
| Federal Highway Administration (FHW | A) | | | | |
| Federal-Aid Highways (limitation on obligations + exempt contract authority) | 58,212 | 59,504 | 59504 | 59,504 | 59,504 |
| Federal-Aid Highways: discretionary funding | 2,445 | _ | 1,755 | 3,160 | 3,418 |
| Total, FHWA | 60,657 | 59,504 | 61,259 | 62,664 | 62,921 |

| DOT Selected Accounts | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|---|-------------------|-------------------|-----------------|---|-------------------|
| Federal Motor Carrier Safety Administr | ration (FMC | SA) | | | |
| Motor carrier safety operations and programs | 360 | 368 | 368 | 368 | 368 |
| Motor carrier safety grants to states | 496 | 506 | 506 | 506 | 506 |
| Total, FMCSA | 856 | 874 | 874 | 874 | 874 |
| National Highway Traffic Safety Admin | istration (NI | HTSA) | | | |
| Operations and research | 393 | 470 | 427 | 407 | 407 |
| Highway traffic safety grants to states (limitation on obligations) | 774 | 795 | 795 | 795 | 795 |
| Total, NHTSA | 1,167 | 1,265 | 1,222 | 1,202 | 1,202 |
| Federal Railroad Administration (FRA) | | | | | |
| Safety and Operations | 241 | 254 | 250 | 254 | 250 |
| Railroad Research and Development | 43 | 58 | 47 | 44 | 44 |
| Federal-state Partnership for State of Good Repair | 100 | 555 | 555 | 200 | 100 |
| Consolidated Rail Infrastructure and Safety Improvements | 625 | 500 | 630 | 535 | 560 |
| Railroad Crossing Elimination Program | _ | 245 | _ | _ | _ |
| Restoration and Enhancement grants | _ | 50 | _ | _ | _ |
| Amtrak | | | | | |
| Northeast Corridor grants | 875 | 1,200 | 882 | 1,135 | 1,260 |
| National Network | 1,457 | 1,800 | 1,463 | 1,466 | 1,193 |
| Subtotal, Amtrak grants | 2,331 | 3,000 | 2,345 | 2,601 | 2,453 |
| Rescission | -15 | _ | -2 | _ | -3 |
| Total, FRA | 3,325 | 4,662 | 3,826 | 3,634 | 3,404 |
| Federal Transit Administration (FTA) | | | | | |
| Formula Grants (mandatory) | 13,355 | 13,634 | 13,634 | 13,634 | 13,634 |
| Transit Infrastructure Grants | 504 | 200 | 646 | 527 | 542 |
| Transit Research | _ | 30 | _ | _ | _ |
| Technical Assistance and Training | 8 | 8 | 8 | 8 | 8 |
| Capital Investment Grants (New Starts) | 2,248 | 2,850 | 3,012 | 2,511 | 2,635 |
| Grants to Washington Metropolitan Area Transit Authority | 150 | 150 | 150 | 150 | 150 |
| Rescission | -7 | _ | _ | -7 | _ |
| Total, FTA | 16,258 | 16,872 | 17,450 | 16,830 | 16,968 |

| DOT Selected Accounts | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|---|-------------------|-------------------|-----------------|---|-------------------|
| Saint Lawrence Seaway Development Corporation | 38 | 39 | 42 | 38 | 39 |
| Maritime Administration (MARAD) | | | | | |
| Maritime Security Program | 318 | 318 | 318 | 318 | 318 |
| Cable Security Fleet | 10 | _ | 10 | 10 | 10 |
| Tanker Security Program | 60 | 60 | 60 | 60 | 60 |
| Operations and Training | 172 | 192 | 192 | 245 | 213 |
| State Maritime Academy Operations | 233 | 78 | 78 | 121 | 121 |
| Assistance to Small Shipyards | 20 | 20 | 20 | 25 | 20 |
| Ship Disposal | 10 | 6 | 6 | 10 | 6 |
| Maritime Guaranteed Loan Program | 3 | 3 | 3 | 3 | 3 |
| Port Infrastructure Development Program | 234 | 230 | 300 | 234 | 212 |
| Rescission | _ | -67 | _ | _ | -67 |
| Total, MARAD | 1,251 | 840 | 987 | 959 | 896 |
| Pipeline and Hazardous Materials Safety | , Administra | tion (PHM | SA) | | |
| Subtotal | 279 | 292 | 289 | 294 | 291 |
| Emergency preparedness grants (mandatory) | 28 | 47 | 28 | 28 | 28 |
| Offsetting user fees | -155 | -159 | -159 | -165 | -161 |
| Total, PHMSA | 307 | 339 | 317 | 322 | 319 |
| Office of Inspector General | 103 | 108 | 108 | 108 | 108 |
| DOT Totals | | | | | |
| Appropriation (discretionary funding) | 27,163 | 26,908 | 27,821 | 29,087 | 28,972 |
| Limitations on obligations (mandatory) | 76,002 | 77,614 | 77,614 | 77,614 | 77,614 |
| Subtotal—new funding | 102,969 | 104,522 | 105,762 | 106,701 | 106,586 |
| Rescissions | -218 | -67 | -42 | -67 | -237 |
| Net new discretionary funding | 26,946 | 26,841 | 27,779 | 29,020 | 28,735 |
| Net new budget authority | 102,947 | 104,455 | 105,393 | 106,635 | 106,349 |
| Additional appropriations (emergency) ^b | 44,536 | 36,811 | 36,811 | 36,811 | 36,811 |
| Net new budget authority (incl. additional appropriations from P.L. 117-43 and P.L. 117-58) | 147,483 | 141,266 | 142,204 | 143,446 | 143,160 |

Sources: FY2022 Enacted, FY2023 President's Request, and FY2023 House figures are taken from the Comparative Statement of New Budget Authority table, as published in H.Rept. 117-402, pp. 501-532, adjusted for floor amendments; FY2023 Chairman's Mark figures are taken from S. 4670 and the draft committee report released by the chairman at https://www.appropriations.senate.gov/imo/media/doc/THUDFY23RPT.pdf. Final FY2023 figures taken from P.L. 117-328 and the explanatory statement accompanying H.R. 2617, as amended, as published in the *Congressional Record* on December 20, 2022.

Notes: Totals may not add due to rounding and budgetary treatment of some figures.

- a. In addition to its appropriation, the Essential Air Service program receives funding from overflight fees; this additional funding is not reflected in this table. For FY2022, those fees were expected to provide an additional \$116 million to the program. Due to the pandemic's effects on aviation, the Administration's FY2023 estimate for overflight fees is down to \$81 million; the House estimated a higher amount (\$122 million), which combined with the recommended appropriation would provide a total of \$477 million for the program. The Senate draft bill recommended the Administration's requested appropriation and estimated fee amount, which combined would provide a total of \$450 million.
- b. In FY2022, DOT received supplemental appropriations from the Disaster Relief Supplemental Appropriations Act, FY2022 (Division B, P.L. 117-43) and in Division J, Title VIII of the IIJA (P.L. 117-58). Title VIII appropriated a total of \$184.1 billion for DOT in FY2022, but divided that total into five equal portions, to be made available to DOT annually over the period of FY2022-FY2026; \$36.811 billion is the amount available in FY2023.

Additional Funding for FY2023 Provided in the IIJA

DOT received \$184.1 billion in additional appropriations for many DOT programs in Division J, Title VIII of the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58; commonly referred to as the *bipartisan infrastructure law* or BIL). These funds were appropriated in FY2022, but were divided into equal portions (\$36.8 billion) that become available each year of the authorization period (FY2022-FY2026) for DOT programs authorized in Divisions A-C of the IIJA. That \$36.8 billion in annual supplemental funding equals slightly over one-third of the FY2023 funding recommended for DOT in the THUD FY2023 appropriations bills. For some agencies within DOT, this additional funding represents a relatively small addition to the FY2022 regular appropriated amount (e.g., 16% (+\$9.5 billion) for FHWA, 26% (+\$4.3 billion) for FTA); for other agencies, the additional funding is greater than the regular FY2022 appropriated amounts (e.g., \$5 billion on top of \$3.9 billion for FAA infrastructure accounts, \$13.2 billion on top of \$725 million for FRA state rail grants). **Table 4** shows the distribution of the supplemental funding available to DOT during FY2023.

Table 4. FY2023 Department of Transportation Funding Provided in the IIJA,
Outside the FY2023 THUD Appropriations Act

(dollars in millions)

| DOT Accounts | FY2023 |
|---|-----------|
| Office of the Secretary (OST) | |
| National Infrastructure Investments | \$2,500.0 |
| Safe Streets and Roads for All grants | 1,000.0 |
| National Culvert Removal, Replacement, and Restoration grants | 200.0 |
| Strengthening Mobility and Revolutionizing Transportation Grant Program | 100.0 |
| Total OST | 3,800.0 |
| Federal Aviation Administration (FAA) | |
| Facilities and Equipment | 1,000.0 |
| Airport Infrastructure Grants | 3,000.0 |
| Airport Terminal Program | 1,000.0 |
| Total FAA | 5,000.0 |
| Federal Highway Administration (FHWA) | |
| Highway Infrastructure Program | 9,454.4 |

| DOT Accounts | FY2023 |
|--|------------|
| Federal Motor Carrier Safety Administration (FMCSA) | |
| Motor Carrier Safety Operations and Program | 10.0 |
| Motor Carrier Safety Grants | 124.5 |
| Total FMCSA | 134.5 |
| National Highway Traffic Safety Administration (NHTSA) | |
| Crash Data | 150.0 |
| Vehicle Safety and Behavioral Research Programs | 109.7 |
| Supplemental Highway Traffic Safety Programs | 62.0 |
| Total, NHTSA | 321.7 |
| Federal Railroad Administration (FRA) | |
| Consolidated Rail Infrastructure and Safety Improvements | 1,000.0 |
| Northeast Corridor Grants to Amtrak | 1,200.0 |
| National Network Grants to Amtrak | 3,200.0 |
| Railroad Crossing Elimination Program | 600.0 |
| Federal-State Partnership for Intercity Passenger Rail Grants | 7,200.0 |
| Total FRA | 13,200.0 |
| Federal Transit Administration (FTA) | |
| Transit Infrastructure Grants | 2,050.0 |
| Capital Investment Grants | 1,600.0 |
| All Stations Accessibility Program | 350.0 |
| Electric or Low-Emitting Ferry Program | 50.0 |
| Ferry Service for Rural Communities | 200.0 |
| Total FTA | 4,250.0 |
| Maritime Administration (MARAD) | |
| Port Infrastructure Development Program | 450.0 |
| Total MARAD | 450.0 |
| Pipeline and Hazardous Materials Safety Administration (PHMSA) | |
| Natural Gas Distribution Infrastructure Safety and Modernization Grant Program | 200.0 |
| Total Other Appropriations | \$36,810.6 |

Source: H.Rept. 117-402 accompanying H.R. 8294, "Other Appropriations," pp. 521-532. **Note:** These funds were provided in Division J, Title VIII of the IIJA (P.L. 117-58).

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

special housing needs and to expand access to homeownership. 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. Indian tribes receive their own direct housing grants through the Indian Housing Block Grant program (also called 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 budget authority via appropriations for HUD programs and activities for a fiscal year. The "cost" of that budget authority, 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, other collections and rescissions of prior-year appropriations can also effectively offset the cost of the HUD budget. Deducting the savings from offsets and rescissions from the gross budget authority provided to HUD results in the net budget authority total used for budget enforcement purposes.

FY2023 HUD Appropriations

Table 5. Department of Housing and Urban Development, FY2022-FY2023 Detailed Appropriations

(dollars in millions)

| | (| | | | |
|---------------------|---------|---------|--------|------------|---------|
| | | | | FY2023 | |
| | | | | Chairman's | |
| | FY2022 | FY2023 | FY2023 | Mark | FY2023 |
| HUD Accounts | Enacted | Request | House | (S. 4670) | Enacted |
| Appropriations | | | | | |

⁹ For more information about federal housing assistance programs, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*.

| HUD Accounts | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|---|-------------------|-------------------|-----------------|---|-------------------|
| Salaries and Expenses (Mgmt. & Adm.) | 1,588 | 1,796 | 1,800 | 1,767 | 1,732 |
| Tenant-Based Rental Assistance (Sec. 8 Housing Choice Vouchers) ^a | 27,370 | 32,130 | 31,043 | 30,182 | 27,600ь |
| Voucher Renewals (non-add) | 24,095 | 26,234 | 26,184 | 26,184 | 23,748b |
| Administrative Fees (non-add) | 2,410 | 3,014 | 2,756 | 2,802 | 2,778 |
| Veterans Affairs Supportive Housing (VASH) incremental vouchers (non-add) | 50 | 0 | 50 | 85° | 50 |
| Family Unification Program (FUP) incremental vouchers | 30 | 0 | 30 | 30 | 30 |
| Other Incremental Vouchers (non-add) | 200 | 1,550 | 1,100 | 50 | 50 |
| Mobility services (non-add) | 25 | 445 | 25 | 0 | 0 |
| Public Housing Fund | 8,452 | 8,780 | 8,734 | 8,469 | 8,514 |
| Operating Grants (non-add) | 5,038 | 5,035 | 5,039 | 5,039 | 5,109 |
| Capital Grants (non-add) | 3,200 | 3,200 | 3,400 | 3,225 | 3,200 |
| Climate Resiliency/Utility Consumption Reduction Grants (non-add) | 0 | 276 | 75 | 0 | 0 |
| Choice Neighborhoods | 350 | 250 | 450 | 250 | 350 |
| Self Sufficiency Programs | 159 | 175 | 175 | 200 | 175 |
| Native American Programs | 1,002 | 1,000 | 1,000 | 1,052 | 1,020 |
| Native American Block Grants (Formula) (non-add) | 772 | 772 | 772 | 819 | 787 |
| Native American Block Grants (Competitive) (non-add) | 150 | 150 | 150 | 150 | 150 |
| Indian Community Development Block Grants (non-add) | 72 | 70 | 70 | 75 | 75 |
| Indian housing loan guarantee | 4 | 6 | 6 | 6 | 6 |
| Native Hawaiian block grant | 22 | 10 | 10 | 22 | 22 |
| Housing, persons with AIDS (HOPWA) | 450 | 455 | 600 | 468 | 499 |
| Community Development Fund | 4,841 | 3,770 | 5,299 | 4,818 | 6,397 |
| CDBG Formula Grants | 3,300 | 3,550 | 3,300 | 3,525 | 3,300 |
| SUPPORT for Patients and Communities | 25 | 25 | 25 | 25 | 30 |
| Grants to Reduce Barriers to Affordable Housing | _ | _ | _ | _ | 85 |
| Economic Development Initiatives ^d | 1,516 | _ | 1,974 | 1,068 | 2,982 |
| Competitive Economic Development Grants | _ | _ | 60e | _ | _ |
| HOME Investment Partnerships | 1,500 | 1,950 | 1,675 | 1,725 | 1,500 |
| Preservation and Reinvestment Initiative for Community Enhancement ^f | _ | _ | 500 | 0 | 225 |

| HUD Accounts | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|--|-------------------|-------------------|-----------------|---|--------------------|
| Self-Help Homeownership | 63 | 60 | 65g | 70 | 63 |
| Self-Help and Assisted Homeownership Opportunity Program | 13 | 10 | 13 | 17 | 14 |
| Section 4 Capacity Building | 41 | 41 | 47 g | 43 | 42 |
| Rural Capacity Building | 5 | 5 | 5 | 6 | 6 |
| Veterans Home Rehabilitation and Modification Pilot Program | 4 | 4 | 0 | 4 | 1 |
| Homeless Assistance Grants | 3,213 | 3,576 | 3,604 | 3,545 ^h | 3,633 ^h |
| Project-Based Rental Assistance (Sec. 8) ^a | 13,940 | 15,000 | 14,940 | 14,687 | 13,938i |
| Contract Renewals | 13,585 | 14,065 | 14,565 | 14,312 | 13,595i |
| Contract Administrators | 355 | 375 | 375 | 375 | 343 |
| Service coordinators for the elderly | 0 | 31 | 0 | 0 | 0 |
| Housing for the Elderly (Section 202) | 1,033 | 966 | 1,200 | 1,033 | 1,075 |
| Housing for Persons with Disabilities (Section 811) | 352 | 288 | 400 | 288 | 360 |
| Housing Counseling Assistance | 58 | 66 | 70 | 63 | 58 |
| Manufactured Housing Fees Trust Fund | 14 | 14 | 14 | 14 | 14 |
| Green Retrofit for Multifamily | 0 | 250 | 0 | 0 | 0 |
| Federal Housing Administration (FHA) Expensesi | 150 | 165 | 150 | 150 | 150 |
| Government National Mortgage Assn. (GNMA) Expensesi | 35 | 42 | 35 | 43 | 41 |
| Research and technology | 145 | 145 | 180k | 115 | 145 |
| Fair housing activities | 85 | 86 | 86 | 85 | 86 |
| Fair Housing Assistance Program (non-add) | 25 | 26 | 26 | 26 | 26 |
| Fair Housing Initiatives Program (non-add) | 56 | 56 | 56 | 55 | 56 |
| Lead Hazard Reduction | 415 | 400 | 415 | 390 | 410 |
| Information Technology Fund | 323 | 382 | 380g | 384 | 375 |
| Inspector General | 140 | 149 | 140 | 140 | 146 |
| Gross Appropriations Subtotal ¹ | 65,702 | 71,911 | 73,029 | 69,964 | 68,533 |
| Offsetting Collections and Receipts | | | | | |
| Manufactured Housing Fees Trust Fund | -14 | -14 | -14 | -14 | -14 |
| FHA | -9,596 | -8,236 | -8,236 | -8,236 | -8,236 |
| GNMA | -2,363 | -2,107 | -2,106 | -2,106 | -2,106 |
| Offsets Subtotal | -11,973 | -10,357 | -10,356 | -10,356 | -10,356 |
| Rescissions | | | | | |
| Native Hawaiian block grant rescission | -6 | 0 | 0 | 0 | 0 |

| HUD Accounts | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|---|--------------------|-------------------|-----------------|---|-------------------|
| Executive and Administrative Support Offices rescission | -29 | 0 | 0 | 0 | 0 |
| Rescissions Subtotal | -35 | 0 | 0 | 0 | 0 |
| Total Net Discretionary Budget Authority | 53,694 | 61,554 | 62,673 | 59,608 | 58,178 |
| Emergency Funding ^m | 5,000 ⁿ | 0 | 0 | 1,447° | 8,623Þ |
| Total w/Emergency Funding | 58,694 | 61,554 | 62,673 | 61,055 | 66,801 |

Source: FY2022 Enacted, FY2023 President's Request and FY2023 House figures are taken from the Comparative Statement of New Budget Authority table, as published in H.Rept. 117-402, p. 532, adjusted for floor amendments, as well as congressional budget justifications; FY2023 Chairman's Mark figures are taken from S. 4670 and the draft committee report released by the chairman at https://www.appropriations.senate.gov/imo/media/doc/THUDFY23RPT.pdf. Final FY2023 figures taken from P.L. 117-328 and the explanatory statement accompanying H.R. 2617, as amended, as published in the *Congressional Record* on December 20, 2022.

Notes: Totals may not add or exactly match source materials due to rounding.

- a. This account receives advance appropriations provided in the prior fiscal year and also includes appropriations that become available in the subsequent fiscal year.
- Total does not include \$2.654 billion in additional funding provided by Division N and designated as an emergency requirement.
- c. Up to \$10 million of the \$85 million proposed for HUD-VASH in S. 4670 would be for administrative expenses, including amounts to facilitate leasing through payment of security deposits and landlord retention payments.
- d. All funding contained in this set-aside is earmarked for congressionally requested projects.
- e. Competitive grant funds provided under the Community Development Loan Guarantees Program Account, with authority from Section 108(q) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. §5308).
- f. The House bill included funding for a new Preservation and Reinvestment Initiative for Community Enhancement that would provide competitive funding for a range of activities in support of manufactured housing and manufactured home communities. P.L. I 17-328 included funding for this new initiative, but less than was proposed in the House bill. For additional detail, see the "New Assistance for Manufactured Housing" section of this report.
- g. Amount adjusted for floor amendment.
- h. The Senate chairman's mark proposed a set-aside of \$100 million in Continuum of Care program funds for the new construction, acquisition, or rehabilitation of permanent supportive housing. P.L. 117-328 included \$75 million to be used as one-time awards for this purpose.
- i. Total does not include \$969 million in additional funding provided by Division N and designated as an emergency requirement.
- j. 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.
- k. The proposal for Research and Technology in H.R. 8294 includes \$20 million for grants to provide legal assistance for people facing eviction.
- I. Total includes advance appropriations.
- m. Amounts presented here reflect discretionary funding designated as an emergency requirement, and thus are excluded from totals for budget enforcement purposes. Amounts presented here do not include one-time mandatory funding provided by the American Rescue Plan Act (P.L. 117-2) or the Inflation Reduction Act (P.L. 117-169). HUD received \$10.77 billion from ARPA and \$1 billion from the IRA, both in FY2022.
- n. Division B of the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43) provided \$5 billion in emergency supplemental FY2022 funding for HUD's Community Development Block Grant disaster recovery grants.

- o. \$1.4 billion would be provided for HUD's CDBG-DR program for disaster recovery grants.
- p. Includes \$6.623 billion provided by Division N of P.L. 117-328 (\$2.654 billion for Tenant Based Rental Assistance; \$969 million for Project Based Rental Assistance; and \$3 billion for CDBG-DR); and \$2 billion provided by Section 155 of the FY2023 Continuing Appropriations and Ukraine Supplemental Appropriations Act (P.L. 117-180) appropriated these funds to CDBG-DR for unmet needs arising from disasters declared in 2021 and 2022.

Selected FY2023 HUD Appropriations Topics

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 [HHs] served in FY2020)

- Housing Choice Vouchers (2.3 million 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).¹⁰

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.

It is estimated that roughly one in four eligible households receives rental assistance, ¹¹ leading to waiting lists for assistance in most communities. For many years, expansions of these programs to serve new families were limited. For example, most new Housing Choice Vouchers (referred to as incremental vouchers) that were funded in annual appropriations acts were 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). This changed in FY2021, when Congress funded the first expansion in general purpose vouchers in nearly 20 years; and in FY2022, when Congress funded an even larger expansion.

New Housing Choice Vouchers

The President's FY2023 budget request included \$1.55 billion in the tenant-based rental assistance account for new incremental Housing Choice Vouchers. Budget documents stated this would allow the program to serve an additional 200,000 families, the largest one-year increase in new vouchers since the program was created. All of these new vouchers would be general purpose vouchers, rather than being provided through VASH or FUP. This would be an increase over the \$200 million that was provided for new incremental vouchers in FY2022.

The House-passed bill included \$1.1 billion for general purpose new incremental vouchers, which the committee estimated would be sufficient to serve an additional 140,000 households. The bill

 $^{^{10}\,}HUD\,FY2022\,Congressional\,Budget\,Justifications,\,\textit{Overview of Rental Assistance Programs},\,p.\,\,2-1,\,https://www.hud.gov/sites/dfiles/CFO/documents/5_2022CJ-OverviewofRentalAssistancePrograms.pdf.\,$

¹¹ HUD, Worst Case Housing Needs: Report to Congress, 2021, pg. 8-9, https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs-2021.pdf.

would also have provided another \$50 million for homeless veterans through VASH and \$30 million for families and youth involved in the child welfare system through FUP.

The Senate chairman's mark also included funding for new incremental vouchers, but less than was requested by the President, passed in the House, or funded the previous year. Specifically, it proposed \$50 million for new general purpose incremental vouchers, plus \$85 million for VASH and \$30 million for FUP.

The final FY2023 appropriations law included \$50 million for new general purpose incremental vouchers, \$50 million for new VASH vouchers, and \$30 million for new FUP vouchers.

Supplemental Funding for Rental Assistance Renewals

Among the largest expenses in HUD's budget is the cost of renewing rental assistance for the more than 3 million families who are served by the project-based rental assistance and Housing Choice Voucher program. The final FY2023 appropriations law, P.L. 117-328, funded FY2023 renewal costs for these two programs using a combination of regular appropriations (provided in Division L), and supplemental emergency-designated renewal funding (provided in Division N).

As shown in **Table 6**, nearly 9% of the total funding for rental assistance renewal costs for these two programs was provided as emergency designated spending and therefore not subject to regular discretionary spending limits, including the THUD subcommittee's 302(b) allocations, in FY2023.

Table 6. Emergency Supplemental Share of FY2023 Rental Assistance Renewal Funding

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|--------------|------|----|-------|-------|
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| | | | | |

| Renewal Funding | FY2022 Total \$ | FY2023 Enacted Regular \$ | FY2023 Enacted Supplemental Emergency \$ | FY2023 Total \$ | FY2023 Emergency Supplemental Share |
|------------------------------------|--------------------|---------------------------------|---|--------------------|--|
| Tenant Based Rental Assistance | 24.10 | 23.75 | 2.65 | 26.40 | 10.1% |
| Project Based Rental Assistance | 13.59 | 13.60 | 0.97 | 14.56 | 6.7% |
| Total | 37.68 | 37.34 | 3.62 | 40.97 | 8.8% |

Source: Table prepared by CRS based on P.L. 117-328

CDBG, EDI, and Section 108

The President's budget requested \$3.77 billion for the Community Development Fund (CDF) account, with \$3.55 billion in CDBG funds for entitlement communities, states, and insular areas. The House-passed bill proposed \$5.29 billion in CDF funds, with \$3.30 billion in CDBG funds and \$1.97 billion in congressionally directed spending under the Economic Development Initiative (EDI). The House-passed bill also proposed \$60 million in competitive economic development grants under the Community Development Loan Guarantees Program account, of which \$50 million would be specifically for shopping mall redevelopment projects. ¹² The Senate

¹² The Community Development Loan Guarantees Program account typically sets the maximum loan commitments under the HUD Section 108 Loan Guarantee program. Section 108(q) of the Housing and Community Development (continued...)

chairman's mark proposed \$4.81 billion for the CDF account, with \$3.52 billion in CDBG funds and \$1.06 billion in EDI funding. The final FY2023 appropriations law included \$6.40 billion for the CDF account, which included \$3.3 billion for CDBG, \$85 million for a new "Yes In My Backyard" competitive grant program to reduce barriers to affordable housing, and \$2.98 billion for congressionally directed spending via EDIs.

HOME Down Payment Assistance Set-Aside Proposal

The HOME Investment Partnerships Program (HOME) provides formula funding to states, local governments, and insular areas that can be used for a range of eligible affordable housing activities that benefit low-income households. The President's budget requested up to \$100 million in HOME funding for a new initiative titled FirstHOME Downpayment Assistance that would provide funds to states and insular areas for assistance to homebuyers. (While homebuyer assistance is currently one of several eligible use of HOME funds, FirstHOME would be a set-aside of HOME funds to be used specifically for homebuyer assistance. The appropriations language requested by HUD and included in the House-passed bill would have provided HUD with broad discretion in how to implement the program, although both the HUD budget justifications and the House committee report indicated that the funding would be intended to support first-time, first-generation homebuyers. The Senate chairman's mark did not include funding for FirstHOME down payment assistance and it was not ultimately funded in the final FY2023 appropriations law.

New Assistance for Manufactured Housing

The House committee report included language discussing the importance of manufactured housing as a source of affordable housing and certain challenges faced by residents of manufactured homes or manufactured home communities. ¹⁵ In response to some of these challenges, the House-passed bill proposed \$500 million to support manufactured housing through a new Preservation and Reinvestment Initiative for Community Enhancement. While no such funding was included in the Senate chairman's mark, the final FY2023 appropriations law included \$225 million for the new initiative.

Act of 1974, as amended, also authorizes the provision of grants related to Section 108 loan funded projects (42 U.S.C. §5308). In the past, Congress has used this authority to fund competitive grants under the EDI and the Brownfields Economic Development Initiative.

¹³ For several years in the 2000s, Congress provided a set-aside of HOME funding to be used for down payment assistance and certain other homebuyer assistance through the American Dream Downpayment Initiative (ADDI). For more information on ADDI, see Appendix A of CRS Report R40118, *An Overview of the HOME Investment Partnerships Program*.

¹⁴ See HUD's FY2023 Congressional Budget Justifications, p. 18-2, https://www.hud.gov/sites/dfiles/CFO/documents/2023_CJ_Program_-_HOME_updated.pdf, stating that the initiative would aim "to support sustainable homeownership among first-generation, first-time homebuyers," and H.Rept. 117-402, pp. 144-145, stating that "the Committee includes up to \$50,000,000 for down payment assistance to support sustainable homeownership among first-generation, first-time homebuyers."

¹⁵ See H.Rept. 117-402, pp. 114-115. In addition to the funding that the House-passed bill would provide for the Preservation and Reinvestment Initiative for Community Enhancement, the House committee report otherwise addresses manufactured housing in various ways. These include directing HUD to conduct a review of its programs that can be used for activities related to manufactured housing and directing that \$2.5 million in technical assistance funding provided in the Policy Development and Research account be used in support of manufactured housing (see page 161 of the committee report).

The funding is for competitive grants to support the preservation and revitalization of manufactured housing and eligible manufactured home communities. Eligible grantees include states, local governments, resident-owned manufactured housing communities, cooperatives, nonprofits, community development financial institutions (CDFIs), Indian tribes or their tribally designated housing entities (TDHEs), or other entities approved by the Secretary of HUD. Grant funds may be used for a range of eligible activities, including infrastructure, planning, resident and community services, resiliency activities, and other assistance, such as land and site acquisition. The House-passed bill would have designated \$50 million of the total for a pilot program to help redevelop manufactured home communities as affordable replacement housing; the final FY2023 appropriations law designated \$25 million of the total for this purpose.

Legislative Proposals in the Senate Chairman's Mark

The Senate chairman's mark also included the text of two standalone bills related to housing.

CDBG-DR Authorization

Title V of the Senate chairman's mark includes the text of S. 2471, the Reforming Disaster Recovery Act. It proposed to establish an Office of Disaster Management and Resiliency within HUD, to oversee disaster preparedness and response in the department, and manage inter- and intra-agency coordination. The act would further have permanently authorized CDBG-DR as a standing program under which HUD could establish a standardized regulatory structure. ¹⁶ It would also have established a Long-Term Disaster Recovery Fund to provide for CDBG-DR grant assistance and program administration. This legislation was not included in the final FY2023 appropriations law.

NAHASDA Reauthorization

Title VI of the Senate chairman's mark included the text of S. 2264, the Native American Housing Assistance and Self-Determination Reauthorization Act of 2021. It proposed to reauthorize certain programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA); namely, the Indian Housing Block Grant and Native Hawaiian Housing Block Grant, as well as the Section 184 Indian Housing Loan Guarantee and Section 184A Native Hawaiian Loan Guarantee programs. In addition, it would have made certain changes to NAHASDA programs and include other provisions related to housing assistance for tribes. This legislation was not included in the final FY2023 appropriations law.

THUD Related Agencies

As shown in **Table 7**, most of the related agencies funded in the THUD bill would have received level or increased funding relative to the prior year under the President's FY2023 budget request. The largest dollar increases were proposed for the National Transportation Safety Board (+\$8 million, +7%) and the Neighborhood Reinvestment Corporation/NeighborWorks America (+\$4 million, +2%). The House-passed legislation proposed increases above the President's request for several agencies, including \$15 million more for NeighborWorks relative to the President's budget. The Senate chairman's mark largely matched the President's request, although it included more for the Federal Maritime Commission (+\$3 million compared to the President's request) and less for the Interagency Council on Homelessness (matching the FY2022 enacted level).

¹⁶ The President's FY2023 budget also supported the authorization of CDBG-DR.

Table 7.THUD Related Agencies, FY2022-FY2023 Detailed Appropriations

(dollars in millions)

| Related Agency | FY2022 Enacted | FY2023 Request | FY2023 House | FY2023 Chairman's Mark (S. 4670) | FY2023 Enacted |
|--|-------------------|-------------------|-----------------|---|-------------------|
| Access Board | 10 | 10 | 10 | 10 | 10 |
| Federal Maritime Commission | 33 | 35 | 38 | 38 | 38 |
| National Railroad Passenger Corporation (Amtrak) Office of Inspector General | 26 | 28 | 28 | 28 | 28 |
| National Transportation Safety Board | 121 | 129 | 129 | 129 | 129 |
| Neighborhood Reinvestment Corporation (NeighborWorks) | 166 | 170 | 185 | 170 | 170 |
| Surface Transportation Board | 39 | 41 | 42 | 41 | 41 |
| Offsetting Collections | -1 | -1 | -1 | -1 | -1 |
| U.S. Interagency Council on Homelessness | 4 | 5 | 5 | 4 | 4 |
| Total | 398 | 416 | 436 | 419 | 420 |

Source: FY2022 Enacted, FY2023 President's Request and FY2023 House figures are taken from the Comparative Statement of New Budget Authority table, as published in H.Rept. 117-402, p. 532, adjusted for floor amendments, as well as congressional budget justifications; FY2023 Chairman's Mark figures are taken from S. 4670 and the draft committee report released by the chairman at https://www.appropriations.senate.gov/imo/media/doc/THUDFY23RPT.pdf. Final FY2023 figures taken from P.L. 117-328 and the explanatory statement accompanying H.R. 2617, as amended, as published in the *Congressional Record* on December 20, 2022.

Notes: Totals may not add or exactly match source materials due to rounding.

NeighborWorks Funding for Shared Equity Housing

Since FY2019, appropriations for NeighborWorks have included between \$1 million and \$3 million to support shared equity housing models. While specifics vary, shared equity housing generally involves limits on the future sales price of homes or other resale restrictions to preserve long-term affordability. Examples of shared equity housing models include community land trusts, limited equity cooperatives, and deed-restricted housing. Of the \$170 million provided to NeighborWorks in the FY2023 appropriations law, \$4 million is for shared equity housing. Of this amount, Congress directed that \$1 million be used for technical assistance and \$3 million be used for capital grants for NeighborWorks affiliates to acquire homes for their shared equity portfolios.

¹⁷ Congress appropriated \$2 million for this purpose in FY2019, \$1 million in FY2020, \$2 million in FY2021, and \$3 million in FY2022. NeighborWorks has released a report describing its use of the funding provided in FY2019 and FY2020; see NeighborWorks America, *Advancing the Promise of Shared Equity Housing Models*, https://www.neighborworks.org/getattachment/5d3b345d-2853-4eff-b6b2-8f3c36427bef/attachment.aspx.

¹⁸ See page S9345 of the explanatory statement accompanying H.R. 2617, as amended, as published in the *Congressional Record* on December 20, 2022.

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