

The House Appropriations Committee Advances FY23 HUD Funding Bill

The House Appropriations Committee approved its draft FY 2023 Transportation, Housing and Urban Development (THUD) Appropriations Subcommittee bill on June 30, 2022. This year’s THUD House bill provides major increases to housing programs and begins to adopt some of NFHA’s top priorities.

The House’s THUD bill provides \$62.7 billion for HUD programs, which is \$9 billion and 17% above FY22 enacted levels. House appropriators increased funding for most HUD programs, with the most notable increases in the renewal and expansion of Housing Choice Vouchers, Project-Based Rental Assistance, Homeless Assistance Grants, public housing preservation, Section 202 Housing for the Elderly, Housing for Persons with AIDS (HOPWA), the CDBG program, HOME Investment Partnership program, and the Choice Neighborhoods Program.

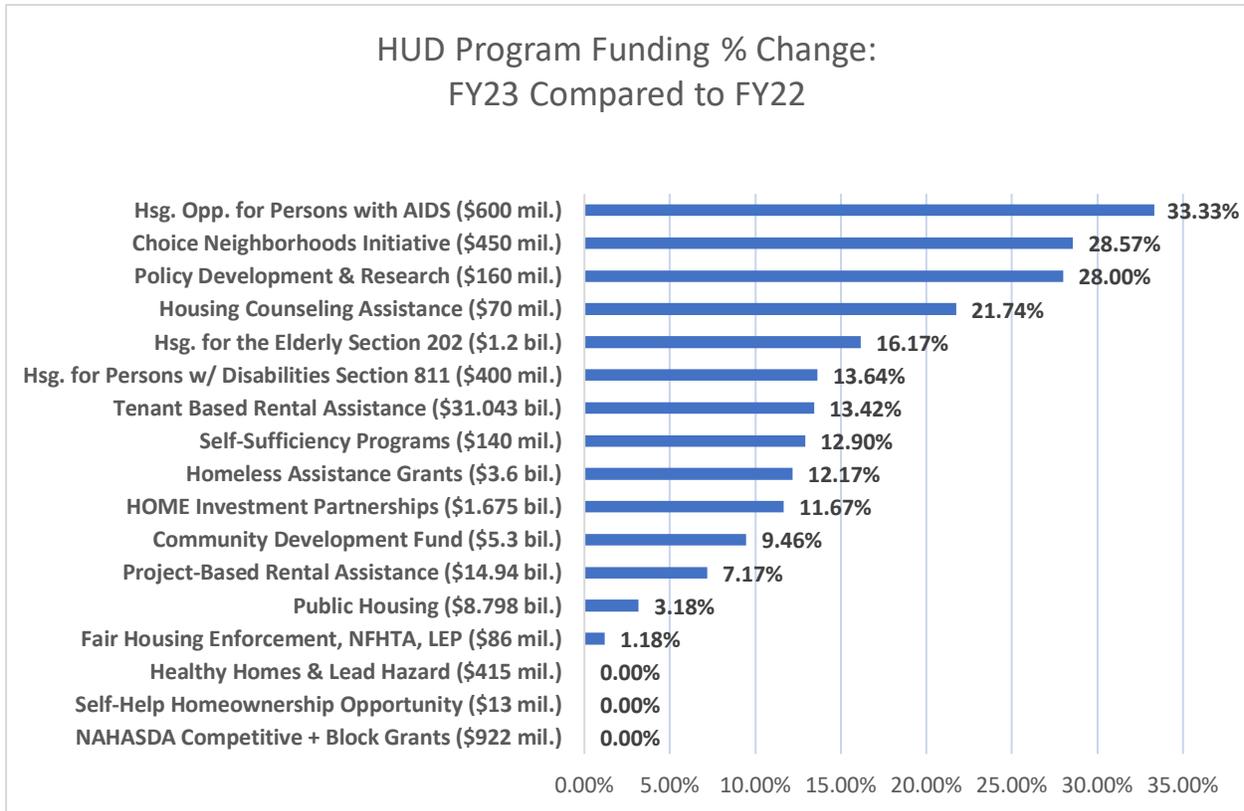
Fair housing funding remained relatively level and followed President Biden’s FY23 appropriations request, with the Fair Housing Initiatives Program (FHIP) being funded at \$56 million and the Fair Housing Assistance Program (FHAP) being funded at \$26 million. The House’s THUD bill also provides \$105.8 million for salaries and expenses for HUD’s Office of Fair Housing and Equal Opportunity (FHEO), which is a welcome increase as FHEO has continued to be chronically understaffed. However, nearly all these fair housing funding accounts are below NFHA’s recommended levels.

Historical Fair Housing Program Account Funding (in millions)										
Account	FY16	FY17	FY18	FY19	FY20	FY21	COVID Funding	FY22	NFHA FY 23 Request	FY23 House Bill
FHIP	\$39.2	\$39.2	\$39.6	\$39.6	\$44.95	\$46.3	\$21	\$56	\$73.5	\$56
FHAP	\$24.3	\$24.3	\$23.9	\$23.4	\$23.5	\$24	\$1.5	\$25	\$35.2	\$26
FHEO	\$72	\$72	\$69.8	\$72	\$75	\$79.8	\$0	\$88	\$153	\$105.8

The fair housing accounts also include \$1 million for the Limited English Proficiency Initiative, and \$3 million for the National Fair Housing Training Academy.

The House’s THUD bill also includes \$50 million for first-generation down payment assistance to first-time homebuyers, which HUD is calling the FirstHOME program and loosely draws from NFHA and CRL’s [proposal](#). The NFHA/CRL proposal was designed to provide down payment assistance to people whose families were locked out of access to government-subsidized homeownership because of discrimination. Most of these potential homebuyers are people of color. FirstHOME funding would be provided under the HOME Investment Partnership program, and appropriators are at this point providing little direction for how HUD must target these funds. Despite there being many first-time homebuyer programs, none have worked to close the racial homeownership gaps that persist today. Therefore, the FirstHOME program must include more specific targeting language to ensure that socially and economically disadvantaged

individuals gain meaningful access to the program as the NFHA/CRL program is designed to do. By targeting assistance to first-generation and socially and economically disadvantaged individuals, the program will avoid becoming a redundant first-time homebuyer program and offer the potential to close the racial homeownership and wealth gaps.



While this bill represents a welcome increase in funding for HUD, the House’s topline spending amounts for the total of its 12 appropriations bills will likely not match the Senate’s topline levels. Furthermore, the Senate Appropriations Committee has yet to come to an agreement on topline funding levels, and it is likely that the final spending amounts will be lower than either of the House or Senate bills. Some Republican appropriators have complained about the increase in HUD program funding. Both Democrats and Republicans have been critical of HUD’s capacity to handle increased spending, despite the systematic underfunding of HUD salaries and expenses for decades.

The House’s THUD bill will receive a full floor vote during the week of July 18, 2022, and advocates must continue to call on members of Congress to increase funding for fair housing enforcement programs and staffing resources, targeted first-generation assistance, and affordable housing resources. Advocates should contact their Representatives and Senators and urge them to fight for the following fair housing funding priorities. If adequately funded, the following programs can help alleviate the impact of rising housing costs on inflation, fight ongoing and increasingly widespread housing discrimination, and provide equitable and affordable opportunities for communities of color.

- \$73.5 million for the Fair Housing Initiatives Program
- \$35.2 million for the Fair Housing Assistance Program
- \$153 million for salaries and expenses to increase staffing at HUD's Office of Fair Housing and Equal Opportunity
- \$10 billion for First-Generation Down Payment Assistance with language that allows for the targeting of grants to socially and economically disadvantaged people
- \$32.13 billion for Tenant-Based Rental Assistance
- \$5.125 billion for the Public Housing Capital Fund and \$5.06 billion for the Public Housing Operating Fund
- \$3.5 billion for HUD's Homeless Assistance Grants
- \$100 million for legal assistance to prevent evictions
- \$300 million for the competitive tribal housing program, with targeted language to ensure tribes with the greatest demonstrated needs are prioritized

TAKE ACTION NOW