

**Administration housing budget proposals resemble 2006 requests.** On February 6 President Bush released the administration's proposed budget for fiscal year 2007, which begins on October 1, 2006. Complete budget documents are available at <http://www.whitehouse.gov/omb/budget/fy2007/>. **USDA RD/RHS's budget** is generally consistent with budgets of the last few years. It proposes no funding for Section 515 rental housing and almost double the FY 2006 level for Section 538 guaranteed rental housing. Rental preservation funds would be combined into one \$74.25 million pool. Rental Assistance contracts would be reduced from four years to two. Slight increases are proposed for Section 502 direct homeownership loans, Section 514 farm labor housing loans, and Section 523 Self-Help Technical Assistance grants.

<b>USDA/RHS Program (in millions of dollars)</b>	<b>FY 2005 Appropriation</b>	<b>FY 2006 Appropriation</b>	<b>FY 2007 Proposed Budget</b>
<b>Loans</b>			
502 Single Fam. Direct	\$1,150	\$1,140.8	\$1,238
502 Single Fam. Guar.	3,309	3,681	3,564
504 Very Low-Inc. Repair	35	35	36.3
514 Farm Labor Hsg.	42	38.5	41.6
515 Rental Hsg. Direct	100	100	0
538 Rental Hsg. Guar.	100	100	198
<b>Grants &amp; Payments</b>			
504 Very Low-Inc. Repair	31	30	30
516 Farm Labor Hsg. Grants	16	14	13.9
523 Self-Help Tech. Asst.	34	34	37.6
533 Hsg. Preserv. Grants	9	10	9.9
521 Rental Assistance	592	653	486.3
542 Rural Hsg. Vouchers/Rental Revitlztzn.	--	16	74.25
Rental Preservation Revolving Loans	3	3	0
Rental Preservation Demonstration	--	9	0
Rural Community Devel. Init.	6.35	6.35	0

**The HUD budget** proposes to cut the CDBG program substantially but, unlike last year's budget, does not move CDBG to the Commerce Department. The Rural Housing and Economic Development program and HOPE VI would be eliminated. The budget would reduce public housing, Native American housing, programs for elderly people and those with disabilities, fair housing, and lead hazard control. It would increase rental assistance, HOME, programs for homeless people, housing for people with AIDS, and SHOP.

<b>HUD Program (in millions of dollars)</b>	<b>FY 2005 Appropriation</b>	<b>FY 2006 Appropriation</b>	<b>FY 2007 Proposed Budget</b>
Community Develop. Block Grants	\$4,671	\$4,220	\$3,032
HOME	1,900	1,750	1,916 (a)
Tenant-Based Rental Assistance	14,766	15,574	15,920
Project-Based Rental Assistance	5,298	5,088	5,676
Public Housing Capital Fund	2,579.2	2,464	2,178
Public Housing Operating Fund	2,438.3	3,600	3,564
Public Housing Revitalization (HOPE VI)	144	100	0
Native American Housing Block Grant	622	630	625.7
Homeless Assistance Grants	1,241	1,340	1,511.2
Housing Opps. for Persons with AIDS	281.8	289	300.1
202 Housing for the Elderly	747	742	545.5
811 Housing for Disabled	238.1	239	118.8
Housing Counseling	42	42 (b)	42 (b)
Fair Housing	46.5	46	44.5
Rural Housing and Economic Dev. (RHED)	24	17	0
Self-Help Homeownshp. Opp. (SHOP)	25	20 (c)	40 (c)
Lead Hazard Control	166.7	152	114.8

(a) Includes \$100 million for American Dream Downpayment Initiative.

(b) Funded as part of HOME in 2006, funded separately in 2007 budget.

(c) Funded as part of new account for Self-Help and Assisted Homeownership.



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**HAC News**

## RETURN SERVICE REQUESTED

**Permanent housing suggested as use for surplus federal properties.** Comments are due February 27 on a Department of Health and Human Services proposal to make surplus properties available not only for temporary use by homeless people but also for permanent supportive housing. See *Federal Register*, 1/26/06, pp. 4366-67 or <http://www.regulations.gov>. Contact John G. Hicks, HHS, 301-443-2001.

**IRS to suspend LIHTC income limits for Hurricane Rita evacuees.** Like an earlier announcement for Hurricane Katrina, IRS Notice 2006-11, to be published February 13, will allow any state to suspend Low Income Housing Tax Credit income requirements for people from Hurricane Rita disaster areas, up to September 30, 2006. Visit <http://www.irs.gov/pub/irs-drop/n-06-11.pdf>.

**Poverty guidelines updated.** For 2006, the poverty line for a family of four in the continental U.S. is \$20,000, and for three it is \$16,600. See *Federal Register*, 1/24/06, pp. 3848-49, visit <http://aspe.hhs.gov/poverty>, or contact Gordon Fisher, HHS, 202-690-7507.

**Income disparities still growing.** A new edition of *Pulling Apart: A State by State Analysis of Income Trends* shows that in 38 states the incomes of the bottom fifth of families grew more slowly than the incomes of the top fifth between the early 1980s and the early 2000s. Both national and state level data are included in this report by the Economic Policy Institute and the Center on Budget and Policy Priorities, available free at [http://www.epi.org/content.cfm/studies\\_pulling\\_apart\\_2006](http://www.epi.org/content.cfm/studies_pulling_apart_2006) or for \$4.00 (shipping fee) from EPI, 1-800-EPI-4844.

**Housing mobility report released.** The report from the 2004 Third National Conference on Housing Mobility, *Keeping the Promise: Preserving and Enhancing Housing Mobility in the Section 8 Housing Choice Voucher Program*, is available at <http://www.prrac.org>.

**Awards offered.** ♦ HUD's **Robert L. Woodson, Jr. Award** will recognize states or local governments for leadership in reducing regulatory barriers to affordable housing. Deadline is March 15. Visit <http://www.hud.gov/initiatives/affordablecom.cfm> or contact [affordablecommunitiesinitiative@hud.gov](mailto:affordablecommunitiesinitiative@hud.gov) or a HUD field office. ♦ The National Low Income Housing Coalition's first **Cushing Niles Dolbear Media Awards** will recognize print journalists who do an exemplary job of covering the U.S. affordable housing crisis in articles published between January 1 and December 31, 2006. Deadline is January 15, 2007. Visit <http://www.nlihc.org/CNDMA> or contact Amrit Dhillon, NLIHC, [amrit@nlihc.org](mailto:amrit@nlihc.org) or 202-662-1530 ext. 222.

**Share your CDBG stories with HAC.** How has CDBG been used to build rural communities in your state? HAC is collecting profiles of how State CDBG funds have been used and leveraged to address rural community development needs. For more information, visit [http://www.ruralhome.org/infoAnnouncements\\_cdbgprofiles.php](http://www.ruralhome.org/infoAnnouncements_cdbgprofiles.php) or email your profile to [cdbg@ruralhome.org](mailto:cdbg@ruralhome.org).

**Register now for HAC's green building training!** Registration and scholarship forms and hotel reservation information for *Building Green in Rural America: Affordable and Sustainable Housing*, April 25-26 in Atlanta, are at <http://www.ruralhome.org>. Contact Catherine Howard, 202-842-8600, [catherine@ruralhome.org](mailto:catherine@ruralhome.org).