



BUDGET PROPOSES LEVEL FUNDING FOR MOST USDA RURAL HOUSING PROGRAMS, NONE FOR MPR.

The Obama Administration's budget for fiscal year 2011, released February 1, zeroes out initiatives that were created in past appropriations legislation but never authorized, including USDA's rural rental preservation demonstration program, known as MPR. Section 515 rental housing would be increased from \$69 to \$95 million; Section 515 funds can be used for some preservation activities, but not all that have been available through MPR. The budget does fund vouchers for tenants whose rents rise because of rental prepayment, and Section 521 Rental Assistance for new Section 515 rental and Section 514/516 farm labor housing. Most other RD rural housing programs would remain at FY 2010 levels. For more details visit <http://www.ruralhome.org>.

USDA Rural Development Program (dollars in millions)	FY 2009 Approp.	FY 2010 Approp.	FY 2011 Budget
Loans			
502 Single Fam. Direct	\$2,121.5 ^a	\$1,121	\$1,200
502 Single Family Guar.	16,699 ^a	12,000	12,000
504 Very Low-inc. Repair	34.4	34.4	34
514 Farm Labor Hsg.	20	27.3	27
515 Rental Hsg. Direct	69.5	69.5	95.2
538 Rental Hsg. Guar.	129.1	129.1	129.1
Rental Prsrv. Revlg. Loans	2.9	1.8	0
Grants & Payments			
504 Very Low-inc. Repair	29.7	31.6	31
516 Farm Labor Hsg.	9.1	9.9	10
523 Self-Help TA	38.7	41.9	37
533 Hsg. Prsrv. Grants	8.9	9.4	9.4
521 Rental Assistance (1-yr. contracts)	902.5	980	966
Preservation RA	(6)	(6)	0
New Construction 515 RA	(2.03)	(2.03)	(3)
New Construction 514/516 RA	(3.4)	(3.4)	(3)
542 Rural Hsg. Vouchers	5	16.4	18
Rental Prsrv. Demo. (MPR)	20	25	0
Rural Cmnty. Dev't Init.	6.3	6.3	0

a. For Section 502 direct, \$1.12 billion in regular appropriations and \$1 billion from the Recovery Act. For Section 502 guaranteed, \$6.2 and \$10.5 billion.

RULES PROPOSED FOR NEW RURAL WATER/WASTEWATER PREDEVELOPMENT GRANT PROGRAM.

Comments are due February 22 on draft regulations for USDA's new Special Evaluation Assistance for Rural Communities and Households (SEARCH) program for financially distressed rural communities with populations below 2,500. Nonprofits, public agencies, and tribes will be eligible for grants to cover water and waste disposal project feasibility studies, designs, and applications. See *Federal Register*, 1/22/10 or <http://www.regulations.gov>. Contact Anita O'Brien, RD, 202-690-3789, anita.obrien@usda.gov.

USDA ANNOUNCES SELF-HELP FORUMS.

Rural Development will hold forums on its self-help program around the country between February and June, with an emphasis on the Technical and Management Assistance contracts under Section 523. See *Federal Register*, 2/2/10 and <http://www.rurdev.usda.gov/rhs/Admin/2010SelfHelpForums.htm>. Contact Debra S. Arnold, RD, 202-720-1366, debra.arnold@wdc.usda.gov. Watch for additional details at <http://www.ruralhome.org> as they become available.

HUD BUDGET REQUESTS CUTS FOR MANY PROGRAMS IN FY 2011. The Administration’s HUD budget would increase homelessness programs, rental assistance, the Public Housing Operating Fund, and HOPWA, while cutting CDBG, HOME, Indian housing, Sections 202 and 811, fair housing, and the Public Housing Capital Fund. The Housing Trust Fund would be funded at \$1 billion. For the first time since the late 1990s a President’s budget proposes to eliminate SHOP. No funding is requested for the new Rural Innovation Fund, which replaced the Rural Housing and Economic Development Program in 2010 appropriations, at HUD’s urging. The budget also proposes new initiatives on “Transforming Rental Assistance” and “Catalytic Investments.” Details are at <http://www.ruralhome.org>.

HUD Program (dollars in millions)	FY 2009 Approp.^a	FY 2010 Approp.	FY 2011 Budget
Cmty. Devel. Block Grants	\$6,900	\$4,450	4,380
Sustainable Commun. Init.	-	(150)	(150)
Rural Innovation Fund	-	(25)	0
University Community Fund	-	(25)	(25)
Catalytic Investment Grants ^b	-	-	(150)
HOME	4,075	1,825	1,650
Housing Trust Fund	-	0	1,000
Tenant-Based Rental Asstnce.	12,817	14,184	15,551
Project-Based Rental Asstnce.	7,130	8,158	8,982
Transforming Rental Asstnce. ^c	-	-	350
Vets. Affairs Spttve Hsg. Vouchers	76	76	0
Public Hsg. Capital Fund	6,450	2,500	2,044
Public Hsg. Operating Fund	4,455	4,775	4,829
Public Hsg. Revtlztn. (HOPE VI)	120	200	0
Choice Neighbrhd. Initiative ^d	-	65	250
Native Amer. Hsg. Block Grant	1,155	700	580
Native Hawaiian Hsg. Block Grant	10	13	10
Homeless Assistance Grants	3,177	1,865	2,055
Hsg. Opps. for Persons w/ AIDS	310	335	340
202 Hsg. for Elderly	765	825	274
811 Hsg. for Disabled	250	300	90
Fair Housing	54	72	61
Rural Hsg. & Econ. Dev. (RHED)	26	0	0
Self-Help Homeownshp. (SHOP)	26.5	27	0
Lead Hazard Control	240	140	140
Housing Counseling	65	87.5	88
Transformation Initiative ^e	-	20	20
Energy Innovation Fund	-	50	0

a. 2009 levels include Recovery Act funds. b. New program for economic development and gap financing for community revitalization. c. New program for rental preservation, efficiency and resident choice. d. Demonstration, initially proposed in FY 2010 budget to replace HOPE VI. e. New initiative to combat mortgage fraud and to transform ways in which HUD does business.