



# COMMITTEE ON APPROPRIATIONS

DAVID R. OBEY, CHAIRMAN

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## SUMMARY: 2011 TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS AS PASSED BY THE HOUSE

The FY 2011 Transportation, Housing and Urban Development bill addresses the important challenges of keeping our transportation system safe and strong, ensuring that every American has adequate shelter, and doing so in a way that strengthens the economy.

Priorities in the bill are focused on five major goals:

- Investing in the nation's infrastructure to support jobs
- Supporting vulnerable populations in a difficult economic climate
- Ensuring safe transportation
- Building healthy communities with environmentally sustainable solutions
- Ensuring responsible management and oversight of government investments

Overall, the bill balances the housing and transportation needs of the country within current fiscal constraints. Investments are targeted to critical housing and infrastructure needs, which not only provide support to economically vulnerable Americans, but also support thousands of desperately needed jobs.

In total, the bill is \$1.34 billion below the President's request and \$500 million below 2010.

### Bill Total

**2010 Enacted: \$67.9 billion**

**President's Request: \$68.74 billion**

**Chairman's Mark: \$67.4 billion**

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## KEY INVESTMENTS

### INVESTING IN NATIONAL INFRASTRUCTURE TO SUPPORT JOBS

**Highway Infrastructure:** \$45.2 billion, \$4.1 billion above 2010 and \$3.9 billion above the request to improve and repair our nation's aging highway infrastructure. According to the job model developed by the Department of Transportation (DOT), it is estimated that this increased investment will support more than 142,000 additional jobs across all sectors of the economy. The DOT's 2008 *Conditions and Performance Report* indicates that an average annual investment of \$105.6 billion from all levels of government is needed just to sustain the current conditions of our highways and bridges and \$174.6 billion is needed to improve our current system. Furthermore, the report of the National Surface Transportation Policy and Revenue Study Commission issued in December 2007 recommended investing \$225 billion annually over the next 50 years to maintain, upgrade, and expand our transportation networks.

**Public Transportation Investments:** \$11.3 billion, \$500 million above 2010 and \$575 million above the President's request, to support bus and rail projects, including capital expenditures. The increase from last year will support an estimated 20,000 additional jobs for transit workers around the country. The Federal Transit Administration estimates that our nation's public transportation system has a state-of-good-repair backlog of nearly \$78 billion. In addition, the bill includes \$250 million for transit operating assistance grants, if legislation is enacted authorizing such activities.

**Public Housing Capital Fund:** \$2.5 billion, \$455 million above the request and matching 2010 to help Public Housing Authorities make critical repairs and improvements to public housing units and improve living conditions for residents, including green and sustainable rehabilitation. Every dollar invested in the Capital Fund produces \$2.12 in economic return for local economies.

**HOPE VI:** \$200 million, not requested and matching 2010, for grants to rehabilitate distressed public housing neighborhoods by transforming them into sustainable mixed-income communities. This transformation will help create jobs in the hard-hit construction industry and will revitalize distressed neighborhoods.

**Community Development Block Grant (CDBG):** \$4.38 billion, \$127.9 million above 2010 and \$2 million above the budget request, to spur local construction and development. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG helps local governments tackle serious challenges facing their communities and makes a difference in the lives of millions of people across the nation.\*

**Passenger Rail Grant Program:** \$1.4 billion, \$400 million above the request, to expand and improve intercity passenger rail and develop a robust national high speed rail system, which will create jobs and reinvigorate our manufacturing base. Additionally, this investment will help reduce our dependence on fossil fuels and decrease congestion between cities across the country by providing a transportation alternative for congested highways and air space.

**Amtrak:** \$1.77 billion; \$201.9 million above 2010 and \$151.5 million above the budget request to make capital investments including improvements to Amtrak's fleet and upgrades to Amtrak stations to ensure they are accessible for the disabled. This increase above FY 2010 will save or create an additional 1,130 jobs.

#### **SUPPORTING VULNERABLE POPULATIONS IN A DIFFICULT ECONOMIC CLIMATE**

**Foreclosure Mitigation and Housing Counseling Funds:** \$113 million, equal to the request, to support foreclosure counseling for families through NeighborWorks America and \$88 million, equal to the request, for the Department of Housing and Urban Development's housing counseling assistance program to provide help for low and moderate income families before they purchase a home.

**Veterans Affairs Supportive Housing Vouchers:** \$75 million, not requested, for housing vouchers for homeless veterans, coordinated with supportive services from the VA Medical Centers. This funding will support 10,000 new vouchers and supports the effort to end veteran homelessness.

**Housing and Services for Homeless Persons Demonstration:** \$85 million, equal to the request, for a new demonstration coordinated between HUD and HHS to couple housing vouchers and mainstream health services for 10,000 homeless persons and individuals. Homeless individuals need both housing and services to build self-sufficiency, and integrating the programs of HUD and HHS in a seamless manner for these families and individuals will provide comprehensive support for long-term housing stability.

**Public Housing Operating Fund:** \$4.849 billion, \$54 million above 2010 and equal to the request, to support public housing units' maintenance and energy costs. The public housing inventory consists of more than 1.1 million units of housing to support low-income persons, whose average income level is \$13,346. Maintaining these units, the majority of which are more than 30 years old and have significant maintenance needs.

**Section 8 Tenant Based Rental Assistance:** \$19.4 billion, \$1.2 billion above 2010 and \$155 million below the request, to renew all vouchers currently in use and allow more than two million low income families to stay in their homes. Included in this total is \$113 million to renew housing vouchers for persons with disabilities and \$60 million to support the Family Self-Sufficiency program, which helps families increase income and move out of assisted housing.\*

**Section 8 Project-Based Rental Assistance:** \$9.4 billion; \$819 million above 2010 and equal to the President's request, to support the 1.3 million units of housing assisted. The average annual income of a resident of this form of housing is \$11,217, and more than 57 percent are either elderly or disabled.

**Housing for the Elderly:** \$825 million; \$551 million above the request, to support affordable housing for the elderly by constructing approximately 3,200 new units and keeping over 50,000 elderly Americans in their homes.

**Housing for the Disabled:** \$300 million; \$210 million above the request, to support affordable housing for the disabled by constructing approximately 1,400 new units and keeping over 13,000 Americans with disabilities in their homes.

**Indian Housing Block Grant:** \$700 million; \$120 million above the request, to support and construct affordable housing for American Indians. These funds will assist over 540 tribes, provide rental assistance to over 57,000 families, and add approximately 8,000 housing units to the over 26,000 housing units constructed and 54,000 housing units rehabilitated by this program since 1998.

**Housing for Persons with AIDS (HOPWA):** \$350 million; \$15 million above FY 2010 and \$10 million above the budget request to prevent homelessness among persons with AIDS. Up to 70 percent of all people living with HIV or AIDS report a lifetime experience of homelessness or housing instability and the HIV/AIDS death rate is seven to nine times higher for homeless adults than for the general population. This funding will provide housing assistance for over 60,000 households nationwide.

**Homeless Assistance Grants:** \$2.2 billion; \$335 million above 2010 and \$145 million above the President's request to provide permanent and transitional housing for homeless families and individuals. This is the first year of implementation of the HEARTH Act, which will support both the prevention of, and rapid resolution of, homelessness in America.

**Reverse Mortgages:** \$140 million; \$110 million below the request, to support elderly homeowners and assist them in keeping their homes rather than forcing them to move to expensive assisted living facilities. This level of assistance will keep the program running in 2011 at expected volume levels.\*

## **ENSURING SAFE TRANSPORTATION**

**Aviation Safety Programs:** \$1.3 billion, \$70.42 million above 2010 and \$10.5 million above the request, for the Federal Aviation Administration's (FAA) safety enforcement efforts, including \$17 million to hire 122 additional safety inspectors to assist with NextGen development and the oversight of foreign repair stations. This additional funding will help meet the safety goals established in the FAA's Administrator's Call to Action in the aftermath of the tragic Colgan air crash.

**Highway Safety Programs:** \$841.2 million for the programs of the National Highway Traffic Safety Administration, \$36.4 million below the request and \$31.5 million below 2010, to make America's roads safer by encouraging safety belt use, preventing drinking and driving, improving child safety, enhancing motorcyclist safety, and other initiatives.\*

**Washington Metropolitan Area Transit Authority:** \$150 million for capital and preventative maintenance for the D.C. metro system. The Passenger Rail Investment and Improvement Act authorized \$1.5 billion over a ten-year period for grants to improve the public transportation system that serves millions of tourists and residents in the Washington, D.C. area. This represents the second year of funding for this purpose.

**Distracted Driving Prevention Initiative:** \$50 million, reallocated within the Highway Traffic Safety Grants program, to fund a new incentive grant program for states that enact and enforce laws to prevent distracted driving with a focus on texting bans, as requested.

**Railroad Safety Technology Program:** \$75 million, \$25 million above 2010 and \$75 million above the request, to provide grants to help deploy positive train control (PTC) systems, which perform a critical safety function on rail lines with mixed freight and passenger traffic. These funds will help train operators with the estimated \$5.5 billion necessary for initial PTC system acquisition and implementation, which is required on all lines that jointly operate passenger and freight traffic by December 15, 2015.

## **BUILDING HEALTHY COMMUNITIES WITH ENVIRONMENTALLY SUSTAINABLE SOLUTIONS**

**Livable Communities:** \$150 million within HUD and \$527 million within DOT to advance sustainable practices and to catalyze integrated housing, transportation and energy planning for metropolitan and rural communities. By coordinating these Federal investments, taxpayers' dollars will be leveraged and utilized more efficiently and effectively, rather than working at cross purposes or duplicating efforts.

**Brownfields Redevelopment:** \$17.5 million; \$17.5 million above the request and equal to the level provided in 2010, to return once-contaminated sites to productive use. This funding will remove blight and spur economic development on formerly vacant commercial and industrial sites.

**Cleaner Aviation Fuels:** \$30.6 million, \$10 million above the budget request, to accelerate the FAA's research and development into renewable jet fuels and unleaded aviation gas. Aviation accounts for three percent of greenhouse gas emissions. Fuel costs make up one of the largest portions of airline operating costs. The development of a viable alternative fuels will help reduce aviation's carbon footprint and help ease the aviation industry's dependence on oil.

## **ENSURING RESPONSIBLE MANAGEMENT AND OVERSIGHT**

The effective stewardship of taxpayer dollars is a top priority for the Appropriations Committee. The bill takes important steps to strengthen management and oversight in transportation, housing, and urban development programs, including:

**Financial Management Oversight:** The Committee recommendation requires the Federal Highway Administration (FHWA) to review and update its financial management system to ensure that accurate and reliable information is kept on the agency's resources. In addition, the Committee recommendation requires the Government Accountability Office to review DOT's expenditures on its financial capital management initiative.

**U.S. Merchant Marine Academy Capital Improvements:** The U.S. Merchant Marine Academy has initiated a major capital program to improve the facilities on the campus. The bill requires the Maritime Administration to submit a comprehensive spending plan before the funds are released for expenditure.

**Emergency Relief Program:** The FHWA's emergency relief program is designed to provide funding assistance to States that have had their highways and roads damaged by natural disasters. The Committee has directed the Government Accountability Office to review the emergency relief program to ensure that FHWA is doing everything within its authority to recapture unused program funds and tighten eligibility standards to guarantee that limited program resources are used effectively.

**High Speed Rail Implementation:** The Federal Railroad Administration's (FRA) high speed and intercity passenger rail program is a major new capital initiative to bring a 21<sup>st</sup> century passenger rail system to America. The Committee has highlighted this program as a key management issue for FRA and has directed the agency to identify key implementation milestones and to carefully monitor cost estimates for each project.

**Expediting Housing Program Delivery:** Too many of the Department of Housing and Urban Development's (HUD) programs take up to a year for HUD to issue a notice of funding availability once the funds have been appropriated. These are programs that are funded every year and provide critical housing assistance for the elderly, disabled, homeless and Native American populations. The bill requires the Department of Housing and Urban Development to issue program funding notices in a timely manner to ensure that these funds are put to use quickly and efficiently.

## **SIGNIFICANT CUTS**

**National Infrastructure Innovation and Finance Fund (I Fund):** No funding is provided for this new initiative, requested by the President at \$4 billion. This program is unauthorized and should include a broader scope of infrastructure investments beyond transportation.

**Transforming Rental Assistance:** No funding is provided for this new initiative, requested by the President at \$350 million. This is an unauthorized program with significant future costs, and the implications of this proposal are not yet clear.

**Catalytic Competition Grants:** No funding is provided for this new initiative, requested by the President at \$150 million. This program is unauthorized and is duplicative of activities in the CDBG program.