COMMITTEE *on* APPROPRIATIONS
CHAIRMAN PATRICK LEAHY

For Immediate Release:
July 28, 2022

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SUMMARY
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES
FISCAL YEAR 2023 APPROPRIATIONS BILL
Chairman's Mark: July 28, 2022

Washington, D.C. – The fiscal year 2023 Transportation, Housing and Urban Development, and Related Agencies (THUD) Senate Appropriations bill provides $89.048 billion in discretionary budget authority – $8.01 billion more than the fiscal year 2022 enacted level. The bill makes key investments in transportation and housing programs that will help reduce homelessness, provide housing stability for nearly 5 million low-income households, and improve the safety and efficiency of our transportation systems. The Department of Transportation would receive $106.6 billion in total budgetary resources, of which $29 billion is net discretionary budget authority, which is $2.1 billion above the fiscal year 2022 enacted level. An additional $36.8 billion in advance appropriations was provided to the Department of Transportation by the Infrastructure Investment and Jobs Act (IIJA) for fiscal year 2023. The Department of Housing and Urban Development (HUD) would receive $70 billion in total budgetary resources, which is $4.3 billion above the fiscal year 2022 enacted level, and is offset by $10.3 billion in receipts from the Federal Housing Administration and Government National Mortgage Association for a net funding level of $59.6 billion.

U.S. Senator Brian Schatz (D-Hawaii), Chair of the Senate Appropriations Transportation, Housing and Urban Development, and Related Agencies Subcommittee, said:

"Our bill directly addresses America's housing crisis by making the largest investment in affordable housing in a decade – funding the construction of more than 11,000 new rental units and creating a 'Yes In My Backyard' program to incentivize more affordable housing. It also maintains record levels of investment in Native housing, improves our public transit, airports, and roads, and supports domestic violence survivors under the Violence Against Women Act."

U.S. Senator Patrick Leahy (D-Vt.), Chair of the Senate Appropriations Committee, said:

"This is a strong bill that makes much needed investments to help our nation's affordable housing crisis. It will support the creation of new affordable housing, shelter hundreds of thousands of homeless Americans, and holds the potential to eliminate veteran homelessness in our country, which is a blight on our promise to serve those who have served our country. It makes critical new investments to improve our nation's infrastructure and further implements the promises made in the bipartisan infrastructure bill enacted into law earlier this year."

Key Points and Highlights:

Invests in Infrastructure: The bill builds on the investments made in transportation infrastructure by the IIJA with increased investments for the following programs:

- $1.09 billion for the multi-modal RAISE grant program, $315 million more than fiscal year 2022;
- $3.06 billion for the Federal Aviation Administration's (FAA) Facilities and Equipment, $167 million more than fiscal year 2022, to address the FAA's backlog of facilities and towers and to modernize the air traffic control system through NextGen investments;
- $3.867 billion for the Airport Improvement program (AIP), which includes $517 million for supplemental AIP grants to improve the safety and capacity of our nation's airports, including projects to reduce the impact of airport noise;
- $3.2 billion from the general fund for the Federal Highway Administration, $715 million more than fiscal year 2022, to support additional funding for PROTECT grants for resiliency projects, tribal high priority projects, bridge formula funding, and development of the Appalachian Development Highway System;
- $2.6 billion for Amtrak, $269 million more than fiscal year 2022, to support Amtrak operations across 30 train routes to over 500 destinations in 46 States;
- $200 million for the Federal-State Partnership for State-of-Good-Repair (SOGR) to fund the replacement, rehabilitation, or repair of major infrastructure assets providing intercity passenger rail service;
- $535 million for the Consolidated Rail Infrastructure and Safety Improvement (CRISI) program, which can be used for a broad range of safety and capital projects such as stations or platforms, rail line relocation or improvement, highway-rail grade crossing improvement projects, and planning and environmental work;
- $2.51 billion for the Federal Transit Administration's Capital Investment Grants program, $262 million more than fiscal year 2022, to advance eligible capital transit projects;
- $527 million from the general fund for Transit Infrastructure Grants (TIG), $22.8 million more than fiscal year 2022, to advance additional investments into Bus and Buses Facilities, the Low or No Emissions Vehicle Program, Areas of Persistent Poverty, ferry programs, and research to accelerate zero emission technology; and
- $234 million for the Port Infrastructure Development program, equal to fiscal year 2022, to provide planning and capital assistance to improve the efficient movement of commerce around our nation's congested ports.

Improves Aviation Safety: The bill provides additional investments in the FAA's aviation safety office by providing a $66 million increase and 223 new positions to implement the Aircraft Certification, Safety, and Accountability Act (ACSAA) and make other critical improvements to the FAA's oversight of the aviation network.

Workforce Development: The bill provides increased resources for workforce development programs across the transportation industry to help address critical workforce training needs, which are particularly acute in the aviation and transit sectors. Workforce challenges have caused disruptions to the revived mobility demands in a post-pandemic environment, and have the potential to impede the ability of the IIJA investments to transform intercity passenger rail into a desperately needed state of good repair. To help address these needs, the bill invests $17.6 million in the Aviation Workforce Development Program for aircraft pilots and aviation maintenance technical workers, and provides a $5 million increase for the FAA's own workforce development. Funding is sustained for the Transit Workforce Center established in 2021 to directly support transit agencies through technical assistance, recruitment, apprenticeships, and skills training. A total of $10 million is provided for a new Railroad Workforce Development Program and a new National Railroad Institute to provide dedicated training, education, recruitment, and retention opportunities that are necessary to strengthen project development, technical capacity, and day-to-day operations for all facets of the railroad industry, including the manufacturing and supply sectors.

Access to Affordable Housing: To help address the Nation's affordable housing crisis, the bill strongly supports the HOME Investment Partnership Program, which is the primary Federal tool of state and local governments for the production of affordable rental and owner-occupied housing, with a $1.725 billion investment - the highest funding level in over a decade. This will result in the construction of more than 11,400 new rental and homebuyer units.

A significant contributor to the lack of housing supply and production is state and local zoning and land use laws and regulations that limit the number of units that can be built and impose burdens on development, driving up housing costs. State and local governments across the country are beginning to review and reduce barriers that limit housing production. To support and encourage more of these actions, the bill provides $200 million for a new "Yes In My Back Yard" incentive program to reward jurisdictions that make reforms to facilitate affordable housing production.

Homelessness Prevention: High-cost rents, low vacancy rates, and stagnant wages have exacerbated homelessness across the country, resulting in disturbing increases to the rate of unsheltered homeless in certain areas. This bill focuses efforts to reduce homelessness with the inclusion of $3.55 billion for homeless assistance grants, $332 million more than fiscal year 2022, of which –

- $2.99 billion is for renewal of 6,500 Continuum of Care (CoC) projects that serve over 750,000 people, including critical planning resources to assist capacity-challenged CoCs with coordinated interventions to reduce homelessness;
- $290 million is for the Emergency Solutions Grants program, which will support over 350,000 persons in emergency shelter each year;

- $107 million is for new targeted projects serving youth experiencing homelessness, including $25 million for local capacity building to assist communities in improving their youth homelessness systems; and
- $100 million is for new construction, acquisition, or rehabilitation of permanent supportive housing for over 4,000 individuals experiencing chronic and/or unsheltered homelessness.

Under the Tenant-based Rental Assistance program, the bill includes $85 million for the HUD-VASH program to provide an estimated 7,460 new incremental rental vouchers for veterans experiencing homelessness, as well as funding to support activities to increase the rate of HUD-VASH voucher utilization and reforms to improve the coordination between PHAs, service organizations, and the VA. This funding, when combined with prior year appropriations and available unleased vouchers, has the potential to eliminate veteran homelessness based on the most recent complete data available. An additional $50 million is available for new incremental vouchers, and $30 million is for new family unification vouchers.

Preserves Affordable Housing through Rental Assistance Programs: The bill includes over $55 billion for HUD rental assistance programs that provide housing assistance for nearly 5 million vulnerable households – more than half of whom are elderly or persons with disabilities. The bill includes:

- $30.18 billion for tenant-based Section 8 vouchers, $2.8 billion more than fiscal year 2022;
- $8.47 billion for public housing, $17 million above fiscal year 2022 enacted;
- $14.69 billion for project-based Section 8 rental assistance, $747 million more than fiscal year 2022, including $53 million in new funding to address Project Based Rental Assistance (PBRA) properties that had contracts renewed through the Mark-to-Market program and are physically or operationally distressed; and
- $1.321 billion for Housing for the Elderly and Housing for Persons with Disabilities.

Violence Against Women Act (VAWA): In order to address the implementation of the Violence Against Women Act Reauthorization Act of 2022 and prior year authorizations, the bill advances necessary reforms and next steps to improve emergency assistance in relocating survivors to safe housing by –

- providing $52 million for new CoC projects serving survivors fleeing domestic violence and $5 million for technical assistance to improve the timeliness and effectiveness of emergency transfer plans;
- requiring HUD to report on its plans to allow for the use of tenant protection vouchers for emergency relocation and the monitoring of existing covered housing providers' emergency transfer plans; and
- funding the newly authorized Office of Gender-Based Violence Prevention and supporting staff.

Bill-wide Investments in Equity: The fiscal year 2023 bill includes program increases supporting low-income and historically disadvantaged communities through the following investments:

- $1.052 billion for Native American, Native Alaskan, and Native Hawaiian housing programs, $50 million more than fiscal year 2022 and a historic high, to address the dire housing conditions and severe overcrowding in Indian Country, as well as the unanimously reported Native American Housing and Self Determination Reauthorization Act to continue Tribal programs;
- $25 million for Federal Highway Administration's Tribal High Priority program to improve roadways and provide access to basic community services to enhance the quality of life in Indian country;
- $3.525 billion for the Community Development Block Grant formula program;
- $390 million is for HUD's Office of Lead Hazard Control and Healthy Homes, to remediate lead-based paint from over 25,000 low-income households;
- $250 million for the Choice Neighborhoods Initiative to transform underserved distressed neighborhoods, of which up to $50 million will be used to support current implementation grantees that are facing challenges in meeting the housing unit replacement requirements due to construction cost increases;
- $150 million for the Family Self-Sufficiency (FSS) program, $41 more than fiscal year 2022, to provide public housing and Section 8 residents with tools to improve their economic stability;
- $20 million for transit technical assistance and grants to areas of persistent poverty or disadvantaged communities to expand mobility in underserved communities;
- $20 million set-aside in the RAISE program for technical assistance, cooperative agreements, or grants to assist with the capacity building, planning, and administration of eligible projects, as well as reduced cost-share requirements;
- $25 million is for technical assistance and capacity building for transportation infrastructure improvements under the new Infrastructure Advancement Initiative for Thriving Communities; and
- $7 million for the FAA's Minority Serving Institutions intern program to facilitate a pipeline of diverse candidates for the FAA's future workforce.

Accelerating Disaster Response and Recovery: The bill provides $1.447 billion in Community Development Block Grant Disaster Recovery (CDBG-DR) emergency supplemental funding to meet the needs of 2021 disaster events that only received 66 percent of the resources that they were eligible for due to a lack of available funding.

The bill also includes the Reforming Disaster Recovery Act in title V which will accelerate assistance to disaster-impacted communities by: (1) creating a Long-Term Disaster Recovery Fund to make funding more predictable; (2) permanently authorizing CDBG-DR, which will allow HUD to issue regulations in a way that supports resilience, reduces administrative burden, and reduces conflicts between Federal agency requirements; and (3) quickly supporting grantee capacity following major disasters.

The CDBG-DR program was first deployed by Congress in 1993. Since then, over $95 billion has been appropriated for CDBG-DR and allocated to almost every State. Despite being a major component of the Federal long-term disaster recovery framework for almost three decades, the CDBG-DR program lacks permanent authorization, which creates confusion and frustration for disaster-impacted communities and survivors. Due to the lack of predictable funding and program regulations, implementation of CDBG-DR funds is uneven and slow, taking anywhere from 8 months to multiple years to reach impacted households. The passage of this legislation will provide consistency in the program and improve coordination across the disaster recovery framework to enable communities to more rapidly respond to major natural disasters and address the impacts of disasters on low-income residents and small businesses.

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