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Department of Housing and Urban Development (HUD): FY2025 Budget Request Fact Sheet

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Introduction

This report provides a brief overview of the President’s FY2025 budget request for the Department of Housing and Urban Development (HUD). It links to relevant Administration budget documents and Congressional Research Service (CRS) reports.

Most funding for HUD programs and activities comes from discretionary appropriations provided each year through annual appropriations acts. The House and the Senate appropriations committees’ Transportation, HUD, and Related Agencies subcommittees generally consider HUD’s annual appropriations along with those for the Department of Transportation and several related agencies (including the Neighborhood Reinvestment Corporation, also known as NeighborWorks America and the Interagency Council on Homelessness).

- For additional information on HUD programs and activities, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty, Libby Perl, and Katie Jones.

This report will not be updated to track legislative action during the appropriations process.

President’s FY2025 HUD Budget Request

On March 11, 2024, the Biden Administration submitted its FY2025 budget request to Congress. The budget request was released shortly after the enactment of the Consolidated Appropriations Act, 2024 (P.L. 118-42) on March 9, 2024, which included FY2024 HUD appropriations.

- For additional information on HUD’s budget request, see FY2025 Budget Appendix-HUD.
- For additional details on requested funding levels for specific programs and activities, see HUD’s FY2025 Congressional Budget Justifications.
- For a comparison of FY2025 requested funding levels and FY2024 enacted funding levels for select HUD accounts, see **Table 1**.

Because the President’s budget documents were likely prepared prior to the enactment of the Consolidated Appropriations Act, 2024, funding levels presented in those documents do not reflect enacted FY2024 funding levels. This report uses FY2024 enacted funding levels as contained in the Consolidated Appropriations Act, 2024.

Gross Budget Authority

The President’s FY2025 budget request proposes \$72.6 billion in *gross* discretionary appropriations for HUD, which is about \$4.9 billion (7%) more than the \$67.7 billion in nonemergency funding provided in the Consolidated Appropriations Act, 2024. Accounting for \$8 billion in emergency funding for regular program operations provided in FY2024, the FY2025 request would represent a funding decrease of about \$3 billion (4%). Gross appropriations represent the amount of new funding, or budget authority, available for HUD programs and activities, not accounting for budgetary savings from offsets or other savings.

Several accounts are slated for funding increases in the FY2025 President’s budget request. The largest relative increase is for the Choice Neighborhoods program (+87%; +\$65 million relative to FY2024), and the largest overall increase is for salaries and expenses (+\$685 million; +38%), which is part of the Administration and Management account.

Net Budget Authority

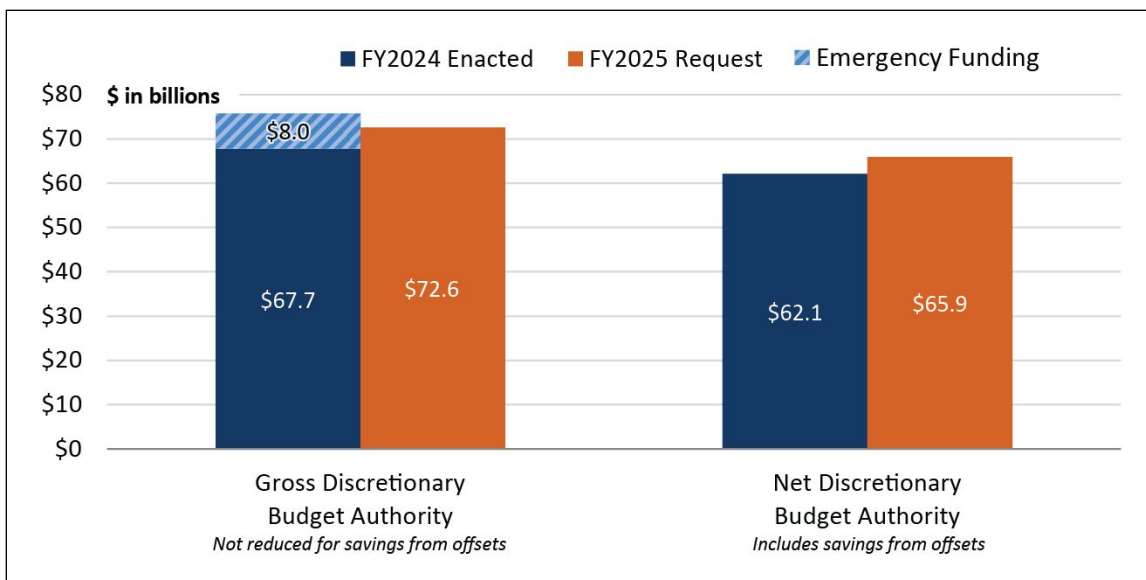
Net discretionary budget authority accounts for the effect of budgetary savings from offsetting collections and receipts, rescissions, and other sources. It also excludes all emergency-designated spending. As shown in **Figure 1**, after accounting for budgetary savings, the President’s FY2025 budget requests \$65.9 billion in net discretionary funding for HUD, an increase of about \$3.9 billion (6%) compared to the nonemergency net budget authority provided in FY2024. This is a smaller increase relative to FY2024 than the increase in nonemergency *gross* budget authority. The gross budget authority generally best reflects the amount of new funding available for HUD’s programs and activities in a year, whereas net budget authority is important for budgetary scorekeeping and compliance with statutory spending limitations.

Offsetting Receipts

Available offsets, as estimated by OMB, are greater in FY2025 than in FY2024. There is an estimated \$1.2 billion (22%) increase in budget savings available from offsetting collections and receipts for FY2025 relative to FY2024. This is largely attributable to projected increases in offsetting receipts from mortgages insured by the Federal Housing Administration (FHA) in FY2025 relative to FY2024. These estimates of offsetting collections and receipts for FY2025 may change when the Congressional Budget Office re-estimates the President’s budget for the purposes of the congressional appropriations process. (Typically, congressional appropriators use CBO’s estimates of offsetting receipts for budget enforcement purposes, although in FY2024 the House and Senate Budget Committees directed CBO to use the Administration’s estimates of FHA receipts in lieu of the CBO estimates.)

- For more information about offsetting collections and receipts and other components of the HUD budget, see CRS Report R42542, *Department of Housing and Urban Development (HUD): Funding Trends Since FY2002*, by Maggie McCarty.
- For more information about FHA and how it is accounted for in the budget, see CRS Report R42875, *FHA Single-Family Mortgage Insurance: Financial Status of the Mutual Mortgage Insurance Fund (MMI Fund)*, by Katie Jones.

Figure I. Total HUD Discretionary Funding With and Without Savings from Offsets and Other Sources: FY2024 Enacted and FY2025 Request



Source: Chart prepared by the Congressional Research Service (CRS). FY2024 and FY2025 figures taken from FY2025 President’s budget documents, the Department of Housing and Urban Development (HUD) Congressional Budget Justifications, and the Consolidated Appropriations Act, 2024 (P.L. 118-42).

Proposed Funding Increases

Several HUD program accounts are proposed for funding increases in the FY2025 request relative to FY2024 enacted appropriations. Those with the largest proposed dollar increases include the following:

- **Project-Based Rental Assistance** (Project-Based Section 8), proposed for a \$676 million (4%) increase, funds long-term rental assistance contracts with owners of project-based Section 8 properties.
- **Tenant-Based Rental Assistance** (Section 8 Housing Choice Vouchers), proposed for a \$369 million (1%) increase, provides funds to private landlords on behalf of low-income households.
- **Choice Neighborhoods** grants, proposed for a \$65 million (87%) increase, provide competitive grants to revitalize distressed public housing or other HUD assisted housing.
- **Lead Hazard Reduction** grants, proposed for a \$54 million (18%) increase, provide funds to localities for lead-based paint hazard testing and remediation.

Proposed New Mandatory Funding

In addition to discretionary funding requests, the President’s budget requests new mandatory appropriations to address affordable housing supply, expand access to homeownership and affordable rental housing, and improve eviction and homelessness prevention policies. In FY2025, among other things, this includes \$10 billion for down payment assistance, \$7.5 billion for public housing, \$7.5 billion for project-based rental assistance, \$4 billion for housing supply expansion innovation projects, and \$3 billion for eviction prevention policy development. These

proposed mandatory funds are being requested outside of the annual discretionary appropriations process and would require additional legislative activity.

Proposed Funding Reductions

A few HUD accounts are slated for funding reductions in the FY2025 budget request relative to FY2024 enacted appropriations. Programs that are proposed for reductions include the following:

- **Native American Programs**, proposed for a \$291 million (22%) reduction relative to FY2024, provide grants to Native American tribes and Alaska Native Villages for affordable housing activities in tribal areas.
- **Community Development Fund** (including the Community Development Block Grant [CDBG]), proposed for a \$500 million (15%) reduction relative to FY2024, after accounting for earmarks, provides formula grants to states and localities for a variety of community and economic development activities. The source of this proposed reduction is the CDBG program account.
- **Self-Sufficiency Programs**, proposed for a \$21 million (11%) reduction relative to FY2024, provide supportive services to HUD-assisted households to improve economic and housing stability.
- **Self-Help Homeownership Opportunity Program (SHOP)**, proposed for a \$5 million (8%) reduction relative to FY2024, provides grants to national and regional intermediaries (such as Habitat for Humanity) to support self-help, sweat-equity model housing programs for low-income families, and grants for capacity building activities.
- **Public Housing Fund**, proposed for a \$271 million (3%) reduction relative to FY2024, provides grants to public housing agencies to fund public housing costs.

Table 1. FY2024 Enacted Funding and FY2025 Request: Select HUD Accounts
(in billions of dollars)

Accounts	FY2024 Enacted	FY2025 Request	% Change, FY2024-FY2025 Request
Tenant-Based Rental Assistance (Section 8 Housing Choice Vouchers)	32.387 ^a	32.756	1%
Public Housing Fund	8.811	8.540	-3%
Choice Neighborhoods	0.075	0.140	87%
Self Sufficiency Programs	0.196	0.175	-11%
Native American Programs	1.344	1.053	-22%
Native Hawaiian block grant	0.022	0.022	0%
Housing, persons with AIDS (HOPWA)	0.505	0.505	0%
Community Development Fund (Including CDBG) ^b	6.720	2.930	-56%
HOME Investment Partnerships	1.250	1.250	0%
Self-Help Homeownership (SHOP)	0.060	0.055	-8%
Homeless Assistance Grants	4.051	4.060	0%

Accounts	FY2024 Enacted	FY2025 Request	% Change, FY2024- FY2025 Request
Project-Based Rental Assistance (Project-Based Section 8)	16.010 ^c	16.686	4%
Housing for the Elderly	0.913	0.931	2%
Housing for Persons with Disabilities	0.208	0.257	24%
Housing Counseling Assistance	0.058	0.058	0%
Research and technology	0.139	0.156	12%
Fair housing activities	0.086	0.086	0%
Lead Hazard Reduction	0.296	0.350 ^d	18%

Source: Table prepared by CRS. FY2024 and FY2025 figures taken from FY2025 President's budget documents, HUD Congressional Budget Justifications, and the Consolidated Appropriations Act, 2024 (P.L. 118-42).

Notes:

- a. FY2024 Tenant-Based Rental Assistance appropriations include \$6 billion in funding designated as an emergency requirement.
- b. FY2024 Community Development Fund appropriations include \$3.3 billion in earmarks, also referred to as Community Project Funding or Congressionally Directed Spending. The Administration does not typically request funding for earmarks.
- c. FY2024 Project-Based Rental Assistance appropriations include \$2 billion in funding designated as an emergency requirement.
- d. The FY2025 budget request for Lead Hazard Reduction includes a \$155 million rescission of prior year funding that is not reflected in the program total shown here.

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