

Talking Points on HUD Budget Cuts and New Orleans

Elimination of Community Development Block Grants

In New Orleans, the CDBG program funds housing rehabilitation/modification for seniors and the disabled, recreation programs for youth, and infrastructure improvements. In 2016, New Orleans' Office of Community Development received \$17.3M in federal funding for housing, which was a \$6.3M increase from the year prior. The majority of this funding (\$11.3M) was CDBG. These funds have subsidized rental housing development, owner-occupied rehab, and provided homeownership assistance. The Office of Community Development's First Time Homeownership Assistance program was funded entirely by CDBG funds. This program is designed to create wealth for low-income families and stabilize neighborhoods by providing soft second mortgage assistance. All of these programs have been essential to the preservation and development of affordable housing in a recovering city vulnerable to gentrification, and need to continue at this critical juncture.

Funding Cuts for Public Housing Agencies

The Housing Authority of New Orleans would be severely impacted by the 68% cut in public housing repair funds, the \$300 million cut to the Housing Choice Voucher program, as well as the elimination of CDBG funding. New Orleans could lose 1,620 housing choice vouchers under the proposed budget, and there are currently 24,207 families on the waitlist to receive vouchers. HANO is currently implementing scattered site redevelopment in high opportunity neighborhoods, funded in part by the HUD Capital Fund (to receive a \$1.3B cut) and the CDBG program (to be eliminated). HANO is also still in the process of repairing and replacing public housing affected by Katrina and other disasters; cuts would seriously impede these efforts. The operational funding that would be cut helps pay rent for existing public housing units; this could lead to an overall reduction in available apartments.

Elimination of HOME and Choice Neighborhoods

New Orleans benefits from both the HOME and Choice Neighborhoods programs, which would be completely eliminated by this budget cut. Last year, New Orleans received \$1,964,846 in HOME funds. Choice Neighborhoods is a program that gave us over \$30M in 2010 to rebuild the Iberville development, and has helped dozens of cities since. These programs are not a waste, they have funded such major projects in New Orleans as the Iberville housing development, and are essential to our continued efforts to invest in affordable housing infrastructure and thus boost our local economies.