Fiscal Year 2012 Federal Budget Update

potential Impact on New Castle County housing programs

Community Services Committee
September 27, 2011

Current Status – FY2012 Federal Budget

- The House and Senate Appropriations Subcommittees on HUD/Transportation have released draft bills
- Worst Case Scenario – Deep Reductions in Housing Programs
- Anticipate a long wait with Federal Programs operating under a Continuing Resolution

Current Status – FY2012 Federal Budget

Program	FY2011 enacted	FY12 – House	FY12- Senate
HOME	$1.6 B	$1.2 B **(-25%)**	$1.0 B **(-38%)**
CDBG	$3.336 B	$3.501 B **5%**	$2.885 B **(-14%)**
CDBG Admin Cap	20%	10% **(-50%)**	20%
Section 8 – ADMIN	$1.397 B	$1.050 B **(-25%)**	$1.397B **Level**

Current Status – FY2012 Federal Budget

HOME Program Reductions: 38% to 25%

- **Jeopardizes Involvement in Current and Future Housing Revitalization Effort in Communities with distressed housing stock**

  Dunlieth, Belvedere, Knollwood, Simonds Gardens, Middletown East Lake, Edgemoor

- **Hampers our Ability to Partner with LITC Projects to create affordable rental units**

  Lexington Green, Clayton Court, Farrand Village, Maryland Park, Victoria Mews

- **Reduces our Funding Support of Grassroots Initiatives to Assist Special Needs Populations**

  Family Help, Kristy Bingham, United Cerebral Palsy

- **Reduces the Number of People Served through the County's Homeowner Rehab Program**

  Currently, significant waiting list

Current Status – FY2012 Federal Budget

Section 8 Reduction of 25% in Admin Budgets

- Operations and Integrity of Program are Jeopardized
  - *Currently operating at a 17% reduction*
- Already as lean as we can possibly be to meet the administrative demands of the program
  - Currently operate at 8% admin of total budget
  - 30% of full-time positions vacant while still high performer, 95% utilization rate of vouchers
- Reductions of this magnitude would deplete administrative reserve – not sustainable

Current Status – FY2012 Federal Budget

House - CDBG 50% Reduction in Admin Budgets
Senate - CDBG 14% Reduction in Program

- Jeopardizes ability to partner with non profits for public service work..
  - 3,500 individuals served annually through public service programs
  - 40 non profit agencies receive grants
  - Seventy (70) percent of CDBG Administrative Costs are for salaries and benefits to administer programs

- Unable to fund non profits for programs such as foreclosure mitigation/counseling, fair housing training, general assistance referral (helpline)

Current Status – FY2012 Federal Budget Advocacy Needed

- We need your Advocacy and Support
  - Congressional Delegation – request level funding
  - Constituents, Non Profits – make them aware
  - NACO, other regional and national organizations – joint efforts to advocate possible

- Multi-jurisdictional Effort
  - NCC is working with other jurisdictions – DSHA, WHA, City of Wilmington to advocate for level funding