

Oral Testimony of Secretary Julián Castro
House Appropriations Subcommittee on
Transportation, Housing and Urban Development and Related Agencies
Hearing on FY2017 Budget Request for the
U.S. Department of Housing and Urban Development
Tuesday, March 1, 2016

As prepared for delivery

Chairman Diaz-Balart, Ranking Member Price, members of the Subcommittee — thank you for inviting me to discuss HUD’s Proposed Budget for Fiscal Year 2017.

Our request honors the President’s commitment to provide more Americans with the chance to secure quality and affordable housing, and to use housing as a platform that sparks greater opportunity in people’s lives.

This proposal comes at a time of tremendous momentum for the American economy. The unemployment rate has been cut in half since 2009. Over the past 71 months, businesses have added 14 million jobs, the longest streak of private sector job growth on record.

Now we must ensure this progress reaches every corner of our nation. And expanding housing opportunity is a vital part of this mission.

Today, one-quarter of American renters spend more than half their incomes on housing. And for every dollar that goes toward a rent payment, one is taken from a family’s grocery budget, a child’s education, or a couple’s retirement savings.

That’s why the President’s Budget calls for increasing HUD’s funding to \$48.9 billion, \$1.9 billion over the enacted level for Fiscal Year 2016.

85 percent of our Budget would go solely toward renewing rental assistance for nearly 5.5 million households.

But we’ve also taken strong steps to maximize our remaining resources. Investments that would support our nation’s most underserved communities, and empower more hardworking Americans to lift themselves into the middle class.

Six years ago, the President set forth a bold vision to end homelessness in America. And since then, we’ve made great strides. The best example of this? A 36 percent decline in veteran homelessness between 2010 and 2015.

I want to thank the members of this Committee for funding HUD-VASH over the years. And with your support, we can fully achieve the President’s vision. And we can help the next generation to escape the cycle of homelessness.

HUD's *Family Options Study* offers clear evidence that rapid rehousing and Housing Choice Vouchers are the most effective solutions for families with children experiencing homelessness. So we've asked for a historic \$11 billion investment in mandatory spending over the next 10 years that would use these tools to assist approximately 550,000 families.

This Budget also reinforces HUD's commitment to empowering more Americans through housing mobility. We've requested \$20.9 billion for our Housing Choice Voucher program, an increase of \$1.2 billion from the enacted level for Fiscal Year 2016. This would provide 2.2 million low-income families with the chance to move into neighborhoods with better schools, safer streets, and more jobs — and stay there for the long-term.

But HUD's mission also extends beyond housing mobility. Too many communities remain segregated by race and by income, and too many Americans see their futures limited by the zip code where they are born.

And HUD's Proposed Budget reflects our duty to revitalize underserved communities.

Our Rental Assistance Demonstration program has already leveraged nearly \$2 billion for crucial repairs in public housing and other HUD-assisted properties. And we've asked Congress for \$50 million to make targeted investments in 25,000 new units, and to eliminate the remaining cap on the number of units eligible for RAD conversion.

We've also requested \$2.8 billion for the Community Development Block Grant program, which improves infrastructure, rehabilitates housing, and creates jobs for folks of modest means. And \$200 million for Choice Neighborhoods, which transforms areas of concentrated poverty by creating quality mixed-income housing, improving public safety, and sparking neighborhood small business growth.

Finally, the President knows many Native American communities face substandard living conditions and significant barriers to economic opportunity. So this Budget requests \$780 million to improve housing and development on tribal lands, including \$20 million for Native youth programs like community centers, health clinics, and Head Start facilities.

The President's Budget reflects his determination to promote inclusive opportunity for all. And I look forward to working with this Committee to build a future where every American can live in a home that offers them pride, progress, and hope.

Thank you.

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