



**Campaign for Housing and Community Development Funding**

*Working to ensure maximum federal resources for housing and community development*

# How President Trump's Budget Request Could Impact Affordable Housing

February 20, 2018

# Speakers

- Moderator: Elayne Weiss, National Low Income Housing Coalition
- Doug Rice, Center on Budget and Policy Priorities
- Linda Couch, LeadingAge
- Joe Lindstrom, National Low Income Housing Coalition



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# Agenda

- Budget overview
- Housing Programs
  - Housing Vouchers
  - Project-Based Rental Assistance
  - Public Housing
  - Housing for Special Populations
  - Formula and Block Grant Programs
  - Homeless Assistance
- Opportunities for Advocacy





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# Budget Overview: FY18 and FY19

Doug Rice, Senior Policy Analyst  
Center on Budget and Policy Priorities

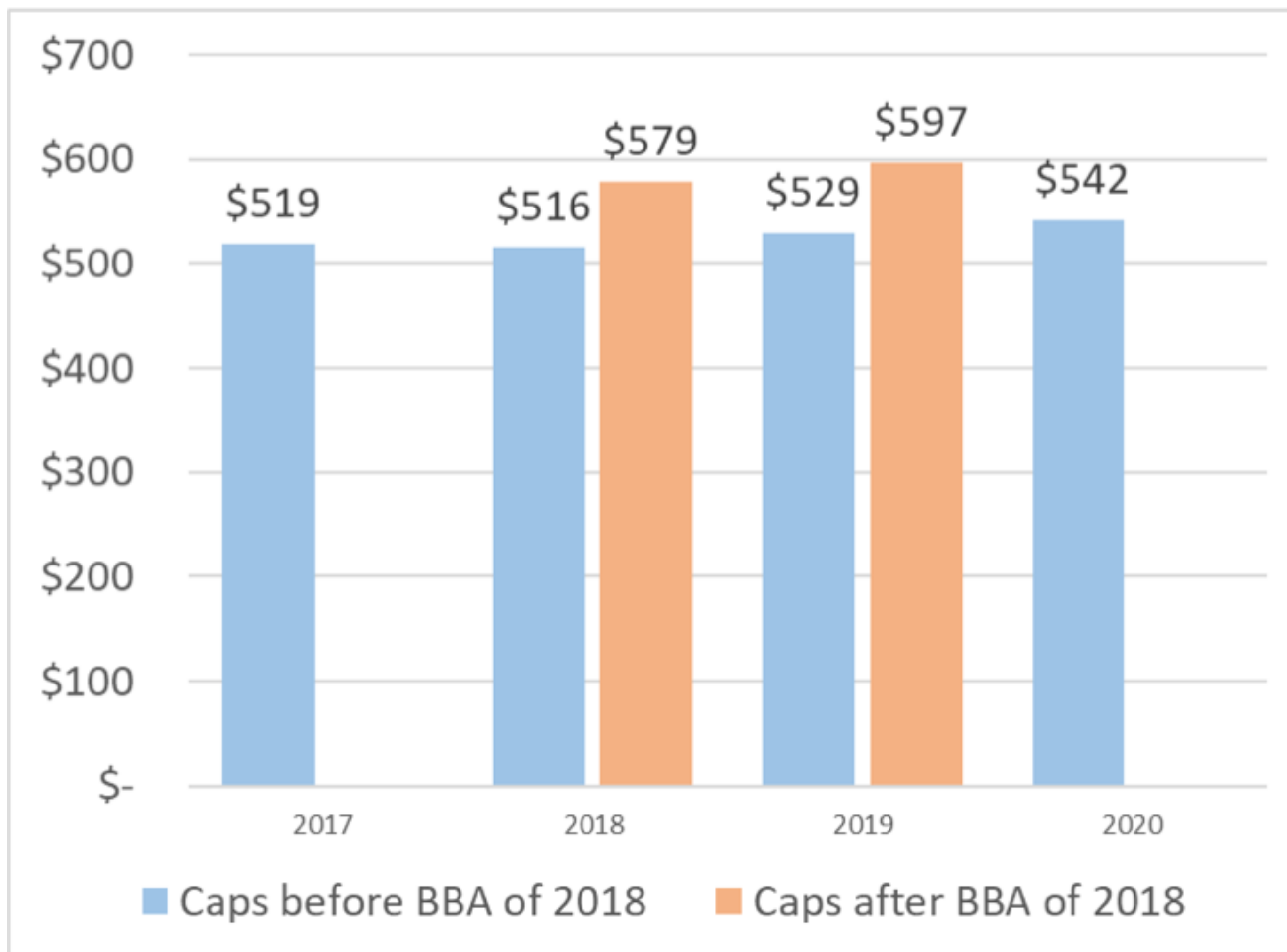
# Budget Deal & President's Budget

- **Budget deal**
  - Enacted last week
  - Increased funding for non-defense discretionary programs and defense for 2018 & 2019
  - Series of other provisions (CHIP for 10 years, home visiting, other health extenders, child welfare bill, tax extenders)
- **Implications of budget deal**
  - Congress can finalize 2018 funding bills
  - Topline funding levels for 2019 set
- **Does that mean that the President's budget is meaningless? NO!**



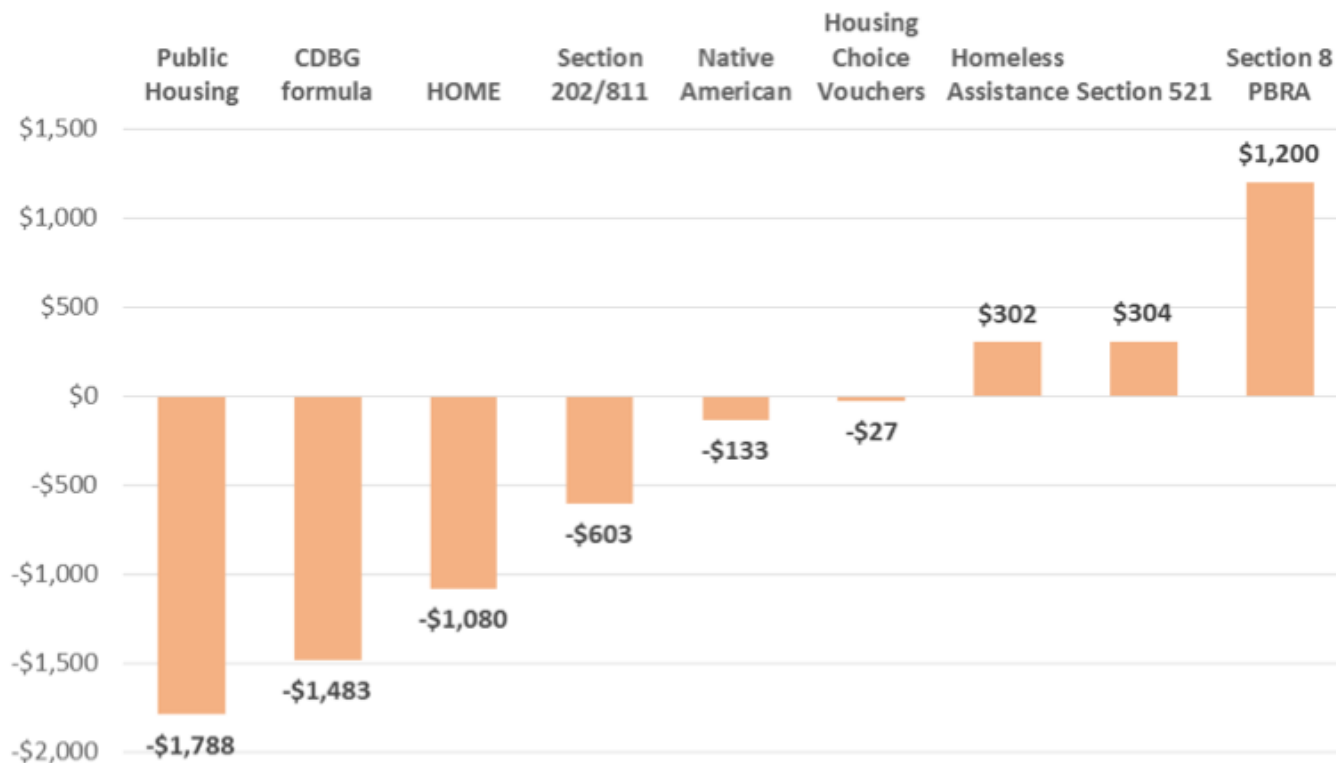
# Bipartisan Deal Increases NDD Funding

NDD caps, in billions of nominal dollars



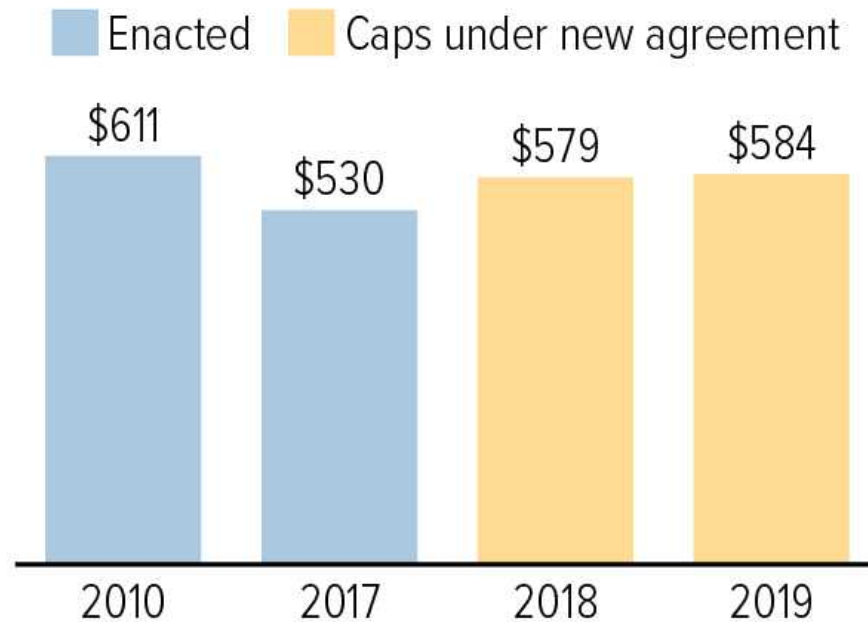
# Public housing, block grants cut deepest under BCA spending caps

Change in funding, 2010 to 2017, in millions of 2017 dollars



# Non-Defense Discretionary Funding Increases Under Bipartisan Deal Yet Remains Below 2010 Level

In billions of 2018 dollars



Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office, Office of Management and Budget, and announced agreement for 2018 and 2019



# What is in the President's 2019 Budget

Same basic components as last year's budget:

- Continue drive to **Repeal/Replace/Cut** ACA & Medicaid
- Deep cuts in **basic assistance programs** like SNAP, housing
- Make **college less affordable**
- Deep cuts in non-defense discretionary funding
- And, of course, no roll back of tax cuts!



# Trump 2019 HUD Budget

- \$41.2 billion for HUD programs (including “addendum”), \$6.8 billion or 14% below 2017
- Housing vouchers: \$1.9 billion shortfall for renewals, leaving 200,000 without renewal funds in 2019
- PBRA: \$300 million below 2018 need, even further below 2019 renewal requirements
- Public housing: 47% cut in funding; \$100 million for RAD
- HOME/CDBG/CNI/NHTF: eliminated
- Proposes work requirement & rent policy changes that would raise rents, increase hardship for assisted residents
- *Most radical retrenchment of federal rent aid in 80 years*



# Trump 2019 HUD Budget

(Figures in millions)	2017	Trump 2019 pre-BBA	Trump 2019 addendum	Trump 2019 post-BBA
Housing Vouchers	\$20,292	\$19,315		\$20,390
<i>Renewals</i>	\$18,355	\$17,514	\$1,075*	\$18,589*
<i>Admin fees</i>	\$1,650	\$1,550		\$1,550
<i>New VASH, FUP, NED</i>	\$60	-		-
Section 8 Project-Based	\$10,816	\$10,866	\$341*	\$11,207*
Public Housing	\$6,342	\$2,841	\$521	\$3,362
Homeless Assistance	\$2,383	\$2,383		\$2,383
Section 202 Housing for Elderly	\$502	\$563	\$53*	\$616*
Section 811 Housing for People with Disabilities	\$146	\$132	\$10*	\$142*
Housing Opportunities for People with HIV/AIDS	\$356	\$330		\$330
HOME Block Grants	\$950	-		-
Native American Housing Block Grants	\$654	\$600		\$600
Community Development Block Grants	\$3,000	-		-
HUD PROGRAM TOTAL (gross)	\$48,056	\$39,200	\$2,000	\$41,200
* CBPP estimate				

# Trump 2019 HUD Rent Policy Proposals

- Budget descriptions general, but consistent with leaked leg draft; exception *that elderly/disabled will be held harmless*
- Non-elderly, non-disabled households:
  - Raise rents from 30% to 35% of income
  - Eliminate child care and other deductions
  - Impose minimum rents = 35% of 15 hrs/wk @ min wage, i.e., \$152/month
- Elderly/disabled households: no change or may be subject to \$50 min rent (unclear)
- Complex set of other provisions, e.g. rent cap, eliminate flat/"welfare" rents, hardship; also authorize HUD to establish alternative rent policies
- Work requirement option for PHAs/owners, up to 32 hrs/wk, including certain training/education



# Potential Impact of Draft Rent Proposals

- Raise rents by \$2.3 billion/yr on 1.8 million households including 3 million children, by an average of \$120/month
- Some rent provisions would discourage work by increasing “rent penalty” for income gains
- Rent increases, esp. min rents, fall hardest on poorest households
- Nearly impossible to authorize/implement for 2019; even if did, would not fill more than fraction of budget funding gaps



# Potential Impact of Work Proposals

- People who work part time or volatile hours could be at risk of losing assistance, homes
- No new resources to help people gain skills, pay for child care, etc., to help them gain or expand employment
- People with health or mental health problems that limit their ability to work, but don't qualify them as fully disabled, could lose assistance
- Little research on work requirements in assisted housing; research in other areas finds marginal long-term gains in employment or earnings, while many families have lost aid
- Small-scale FSS and Jobs-Plus programs that emphasize service supports and financial incentives show promising outcomes without the risks of work requirements





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# Impact of Budget Request on HUD programs

Linda Couch, VP for Housing Policy

LeadingAge

# Trump FY19 Budget Request

“It is difficult to comprehend how out of touch this budget is.”

*- NAHRO statement*



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# Impact of FY19 Request: Housing Choice Vouchers

In addition to cost-shifting to residents by rent increases, which would logistically take years to fully implement, and the proposed work requirements, the sheer loss of vouchers proposed would be dramatic.

## **A 9% reduction in vouchers means:**

- 1207 families in Miami
- 6656 families across Los Angeles City and County
- 975 families across Rhode Island
- 1188 families across Maine

don't get housing assistance next year



# Impact of FY19 Request: Project-Based Rental Assistance

- Funding for PBRA contract renewals short by more than \$300M
- HUD proposes to freeze rents to owners without regard to statute or business contracts
- Shortfall could be implemented in myriad of ways:
  - Short-timed contracts of 6 or 9 months instead of 12
  - Putting owners on their own, as was contemplated in FY17 PRAC shortfall
  - Forced attrition, as owners leave program on their own due to broken promises and instability



# Impact of FY19 Request: Public Housing

## Charts course to end public housing

- A brutal winter of boilers and other building systems failing led HUD to request zero funding for PH capital fund (FY17 = \$1.942 million)
- Envisions shifting all public housing to Section 8 platform via Rental Assistance Demonstration, but with 47% less in funds

## RAD is a budget neutral program

- If a public housing unit converts to Section 8 under RAD, its public housing funding follows it into the Section 8 account
- Shifting public housing into Section 8 without sufficient PH funding is immediately unworkable



# Impact of FY19 Request: 202 and 811

FY19 request seeks lower amounts than either House or Senate are contemplating for FY18 for 202 Housing for the Elderly and 811 Housing for Persons with Disabilities program

Administration's Budget Addendum may add additional funds into requests for these programs so as not to raise rents for seniors and people with disabilities

Absent details for Addendum, request:

- Underfunds assistance contract renewals for owners
- Underfunds renewals of Section 811 mainstream vouchers
- Likely provides insufficient service coordinator funding
- Does nothing to expand options for people with disabilities and seniors to live with independence in communities of their choice



# Impact of FY19 Request: Homeless Assistance

- Request is flat with FY17 funding
- HUD's own December 2017 report:

## America's Homeless Population Rises for First Time in Years

- Eliminates U.S. Interagency Council to End Homelessness (USICH), the federal agency who brought us the nation's first-ever, comprehensive federal plan to reduce the number of homeless people to zero.



# Impact of FY19 Request: State and Local

- Eliminates the HOME Investment Partnerships program and national Housing Trust Fund
  - Both under backdrop of lower pricing/production in Low Income Housing Tax Credit program
- Eliminates the CDBG program



# Impact of FY19 Request: Salaries and Expenses

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SALARIES AND EXPENSES

	FY 2017 Actuals					FY 2018 Annualized CR					FY 2019 President's Budget					FY 2018 to FY 2019	
	FTE	PS	NPS	WCF	Amount	FTE	PS	NPS	WCF	Amount	FTE	PS	NPS	WCF	Amount	FTE	Amount
	<i>(Dollars in Thousands)</i>																
<b>EXECUTIVE OFFICES</b>	67	\$11,188	\$903	\$783	\$12,874	76	\$12,189	\$934	\$782	\$13,905	86	\$13,606	\$1,419	\$558	\$15,583	9	\$1,678
<b>ADMINISTRATIVE SUPPORT OFFICES</b>																	
Office of the Chief Financial Officer	175	33,717	14,451	3,659	51,827	169	33,934	15,263	3,443	52,640	164	33,430	10,459	3,991	47,880	(5)	(4,760)
Office of the General Counsel	557	88,730	4,389	1,585	94,704	544	89,008	4,192	1,403	94,603	518	85,635	3,611	2,028	91,274	(26)	(3,329)
Office of Administration	229	31,621	188,909	971	221,501	238	33,580	170,615	903	205,098	238	33,921	176,237	2,428	212,586	0	7,488
Office of the Chief Human Capital Officer	143	29,171	9,396	1,122	39,689	140	29,064	9,971	942	39,977	134	28,415	8,415	1,420	38,250	(6)	(1,727)
Office of Field Policy and Management	333	49,615	772	1,285	51,672	318	48,674	856	1,124	50,654	303	46,809	856	1,399	49,064	(15)	(1,590)
Office of the Chief Procurement Officer	112	16,309	781	1,356	18,446	110	16,379	470	1,095	17,944	112	16,839	510	1,329	18,678	2	734
Office of Departmental Equal Employment Opportunity	18	2,602	826	246	3,674	19	2,868	731	205	3,804	19	2,953	327	135	3,415	0	(389)
Office of Business Transformation	32	4,627	34	273	4,934	28	4,213	24	232	4,469	21	3,210	22	136	3,368	(7)	(1,101)
Office of the Chief Information Officer	211	33,602	10,511	1,995	46,108	207	34,040	9,249	1,654	44,943	190	31,483	9,925	1,449	42,857	(17)	(2,086)
<b>SUBTOTAL</b>	<b>1,810</b>	<b>289,994</b>	<b>230,069</b>	<b>12,492</b>	<b>532,555</b>	<b>1,772</b>	<b>291,760</b>	<b>211,371</b>	<b>11,001</b>	<b>514,132</b>	<b>1,698</b>	<b>282,695</b>	<b>210,362</b>	<b>14,315</b>	<b>507,372</b>	<b>(74)</b>	<b>(6,760)</b>
<b>PROGRAM OFFICES</b>																	
Public and Indian Housing	1,364	194,736	8,630	9,533	212,899	1,316	196,018	9,956	8,559	214,533	1,273	191,395	8,279	9,799	209,473	(43)	(5,060)
Community Planning and Development	725	101,477	3,026	4,123	108,626	695	102,077	3,230	3,946	109,253	669	99,271	1,759	4,876	105,906	(26)	(3,347)
Housing	2,533	348,817	10,077	10,642	369,536	2,406	343,786	35,894	9,658	389,338	2,339	337,528	9,000	12,920	359,448	(67)	(29,890)
Policy Development and Research	142	21,097	1,353	1,183	23,633	139	21,380	1,383	1,074	23,837	147	22,755	1,339	1,272	25,366	8	1,529
Fair Housing and Equal Opportunity	496	66,225	3,139	1,863	71,227	491	68,002	1,803	1,706	71,511	481	67,304	1,758	2,250	71,312	(10)	(199)
Office of Lead Hazard Control and Healthy Homes	45	6,773	291	576	7,640	47	7,245	1,608	436	9,289	43	6,715	258	567	7,540	(4)	(1,749)
<b>SUBTOTAL</b>	<b>5,304</b>	<b>739,125</b>	<b>26,516</b>	<b>27,920</b>	<b>793,561</b>	<b>5,094</b>	<b>738,508</b>	<b>53,874</b>	<b>25,379</b>	<b>817,761</b>	<b>4,952</b>	<b>724,968</b>	<b>22,393</b>	<b>31,684</b>	<b>779,045</b>	<b>(142)</b>	<b>(38,716)</b>
<b>TOTAL HUD Salaries and Expenses</b>	<b>7,182</b>	<b>\$1,040,307</b>	<b>\$257,488</b>	<b>\$41,195</b>	<b>\$1,338,990</b>	<b>6,942</b>	<b>\$1,042,457</b>	<b>\$266,179</b>	<b>\$37,162</b>	<b>\$1,345,798</b>	<b>6,736</b>	<b>\$1,021,269</b>	<b>\$234,174</b>	<b>\$46,557</b>	<b>\$1,302,000</b>	<b>(206)</b>	<b>(\$43,798)</b>
Government National Mortgage Association	134	22,702	-	-	22,702	134	22,844	-	-	22,844	138	24,400	-	-	24,400	4	1,556
Office of Inspector General	595	98,542	29,335	-	127,877	573	98,920	28,292	-	127,212	573	99,501	28,499	-	128,000	0	788

# Overall Challenges of FY19 Request

- Appropriators and authorities will spend time focused on proposals to cut and undermine programs instead of working on solutions to expand
- Squander opportunity to increase funding for HUD that could be possible because of caps deal
- Pit programs and populations against one another – SNAP, LIHEAP, Social Services Block Grant, Community Services Block Grant, cuts to Medicaid by requiring states to take either a per capita cap or block grant







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# Advocacy Tips and Opportunities

Joe Lindstrom, Manager of Field Organizing  
National Low Income Housing Coalition

# The Time to Act Is Now!

**Ask Congress and to ensure housing and community development programs receive the highest level of funding possible in FY18 and FY19.**

When talking about specific programs, ask in two parts.

- Part 1: Protect the program
  - Reference President Trump's proposed cuts and insufficient budget amounts
- Part 2: Expand the program
  - Affordable housing programs need more, not less
  - It's not enough to simply save housing programs from cuts or elimination—more is needed!
  - Recent budget deal means more funding for domestic programs. Affordable housing programs should get their fair share of the additional funds.



# Delivering the Message

## Best Ways to Make Contact

- Direct lobbying meetings
  - Attend upcoming DC conferences
  - Utilize current district work period finishing on February 25
    - Next district work period is March 24 to April 8
- Emails
  - Target to specific staffers when possible
  - Contact NLIHC's field team at [outreach@nlihc.org](mailto:outreach@nlihc.org) to get the contact information for a specific staff person
- Calls
- Twitter and other social media



# Delivering the Message

## Contact Your Members of Congress

- Focus on Appropriations Committees
- Utilize existing relationships with staff
- Share information about the impact of your federally-funded programs

## Use the Upcoming Elections

- Participate in town hall meetings or candidate forums
- Produce candidate questionnaires
  - Share responses broadly
- Invite elected officials and candidates to tour your programs and meet with residents
  - They will sometimes welcome the photo opportunity



# Other Steps You Can Take

## Sign the CHCDF budget letter

- We are louder when we speak with one voice
- Last year's letter included **3,467 organizational signers!**
- Deadline to add your organization is March 16
- Sign the letter here: <http://bit.ly/2ocUZqa>

## Urge your members of Congress to sign on to Dear Colleague letters supporting HUD and USDA programs

- Most programs will have a letter indicating a desired funding level and members of Congress listed in support of that amount
- Strong support on these letters is critical
- Letters will be shared in a future Call to Action as they are still being drafted



# Our Homes, Our Voices

## National Housing Week of Action May 1 – 8

Host a local event! Week of Action in 2017 included more than 60 events ranging in type:

- Rallies
- Teach-ins
- Film screenings
- Site visits
- Press conferences



Visit [ourhomes-ourvoices.org](http://ourhomes-ourvoices.org) for more information



**OUR HOMES, OUR VOICES**  
National Housing Week of Action  
May 1 – 8, 2018



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# Housing Day of Action

To support planning efforts for the day of action, we will provide organizations and advocates with:

- Sample materials, including talking points, tweets, op-eds, press release, letter inviting elected officials to participate
- Social media images
- Posters that can be printed out
- Assistance in promoting your local event



# For More Information

Elayne Weiss, National Low Income Housing Coalition

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