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
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
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

2017: $519
2018: $516
2019: $529
2020: $542

- Caps before BBA of 2018
- Caps after BBA of 2018
Public housing, block grants cut deepest under BCA spending caps
Non-Defense Discretionary Funding Increases Under Bipartisan Deal Yet Remains Below 2010 Level

In billions of 2018 dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Enacted</th>
<th>Caps under new agreement</th>
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<tr>
<td>2010</td>
<td>$611</td>
<td>$530</td>
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<tr>
<td>2017</td>
<td>$530</td>
<td>$579</td>
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<tr>
<td>2018</td>
<td>$579</td>
<td>$584</td>
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<td>2019</td>
<td>$584</td>
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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)

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<td>HUD PROGRAM TOTAL (gross)</td>
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* 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 quality 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.
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
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

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<td>SALARIES AND EXPENSES</td>
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<td>TOTAL HUD Salaries and Expenses</td>
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<td>98,542</td>
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Overall Challenges of FY19 Request

• Appropriateors 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
Advocacy Tips and Opportunities

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

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 for more information
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

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  Twitter: @elaynewbw

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