Questions for HUD Secretary Ben Carson On President Trump's 2018 Budget



President Trump's 2018 <u>budget request</u> reflects a cruel indifference to the millions of low income seniors, people with disabilities, families with children, veterans, and other vulnerable people who are struggling to keep a roof over their heads. The administration proposes to slash HUD funding by 15% or \$7.4 billion, which would result in more than 250,000 families losing their housing assistance, putting them at immediate risk of eviction and homelessness. Mr. Trump's budget calls for eliminating the national Housing Trust Fund, the first new housing resource in a generation and one that is exclusively targeted to help build and preserve housing affordable to people with the lowest incomes. The budget devastates resources needed to operate and maintain public housing that provides homes to millions of families and represents billions of dollars in critical local assets. It would starve states and communities – including Native American communities that suffer from the worst housing conditions in America – of the flexible, locally-driven resources used to address their most pressing housing and community development needs. It cuts funding needed to keep low-income seniors, people with disabilities, people living with AIDS, and vulnerable individuals in safe, affordable homes, reduces funding to address serious health risks posed by lead-based paint, and even cuts resources used to address homelessness. For more details budget, see NLIHC's updated budget chart and press statements.

The president's budget also contradicts assurances made by HUD Secretary Ben Carson during his <u>confirmation hearing</u> and in written statements to Senators.

The National Low Income Housing Coalition encourages Members of Congress to ask Dr. Carson the following questions when he testifies before the Senate and House Transportation-HUD Appropriations Subcommittee hearings on President Trump's 2018 budget:

1. On the more than 250,000 families that would lose access to rental assistance:

President Trump's 2018 budget would cut HUD resources by 15% or \$7.4 billion compared to 2017 levels. The National Low Income Housing Coalition estimates that the President's proposal would result in more than 250,000 families losing access to housing assistance, putting them at immediate risk of eviction and homelessness. The proposed budget contradicts HUD Secretary Carson's assurances that "nobody's going to be thrown out on the street" and his statements during his confirmation hearings that "we need to be cognizant of our fiscal responsibilities as well as our social responsibilities. Safety net programs are important. I would never abolish one without having an alternative."

- How can the administration ensure that President Trump's budget will not directly harm families receiving housing assistance, given the deep funding cuts to HUD's rental assistance program?
- What will happen to those families who lose their assistance? What other affordable housing options are available to them? What happens if they cannot find suitable, affordable homes?
- How will the administration prioritize which families receive assistance, and which ones will face the immediate risk of eviction and homelessness?

2. On the punitive measures included in President Trump's 2018 budget that would increase the financial burdens on already deeply poor families:

The president's 2018 budget imposes punitive measures that would jeopardize family stability by increasing the financial burdens households face through higher rents and ending support to help cover the cost of basic utilities, like water and heat. While hardship exemptions are still intact, these changes would hurt tenants already scraping to get by and would make it more difficult for them to achieve financial security. The average HUD resident earns about \$12,000 a year; these measures could result in increased housing costs of about \$600 a year – a significant increase for people struggling to get by or living on fixed incomes.

- How does increasing the financial burdens on extremely low income households – many of whom are seniors, people with disabilities, and families with small children – help them become more self-sufficient?
- Data shows that the first sacrifice families make it to buy fewer groceries and to skip needed prescription drugs, which negatively impacts their health and well-being. How can the administration expect a child succeed in school or expect a senior to live with dignity without these basic needs?

3. On eliminating the Housing Trust Fund:

The greatest need for affordable housing in concentrated among people with extremely low incomes. The National Low Income Housing Coalition has found that there are just <u>35 homes</u> affordable and available to people with the lowest incomes. As a result, 71% pay more than half of their income on rent.

Yet, President Trump's 2018 budget proposes to eliminate the national Housing Trust Fund, which is exclusively focused on developing, rehabilitating, and preserving affordable housing for families with extremely low incomes. Without resources like the Housing Trust Fund, the private market would not be able serve these families because the rent they can afford to pay is not enough to cover the cost of operating and maintaining the property, let alone any debt needed to build the property in the first place. It is simply not economical for private developers to build affordable rental housing for extremely low income families without federal assistance. For this reason, many have called the elimination of the Housing Trust Fund the "cruelest cut in Trump's housing budget."

- Why would the administration eliminate the Housing Trust Fund when it is the federal government's *most targeted* housing production program?
- If the Housing Trust Fund is eliminated, how can the federal government attract private capital to increase the supply of affordable rental housing for people with the lowest incomes?

4. On slashing resources to ensure public housing for future generations:

President Trump's 2018 budget devastates resources needed to operate and maintain public housing that provides homes to millions of families and represents billions of dollars in critical local assets. Each year, 10,000 public housing apartments are lost to disrepair and chronic underfunding. The President's budget would slash funding for capital repairs by 68%. It would also underfund public housing's operating budget, which would lead to fewer staff and resources to keep these properties in good shape.

- What will happen to families living in public housing if their apartment is lost due to disrepair? What options are available to them for affordable housing?
- What happens to the local and federal investment if this asset is lost?

5. On shortfunding HUD contracts with private-sector landlords:

President Trump's 2018 budget shortfunds HUD's contracts with private-sector landlords under its project-based rental assistance program, at the same time that the administration claims to support public/ private partnerships.

- How can the federal government attract privatesector partners if it reneges on its contracts?
- What is a private sector landlord expected to do in the face of these budget cuts? What if they are unable to absorb the costs?
- How can you guarantee that no family will be negatively impacted?

6. On undermining evidence-based policymaking through extreme deregulation:

President Trump's 2018 budget proposes to give the HUD Secretary the wholesale authority to waive federal statutes and regulations, without further input from Congress. Members of Congress from both sides of the aisle have increasingly focused on the importance of evidence-based policymaking. Yet, this proposal would give HUD the authority to waive reporting requirements and program assessments that would help Congress and the administration analyze outcomes. Moreover, Secretary Carson stated in his confirmation hearing that "when it comes to deep affordability, removing all regulatory barriers won't get you there."

- Why does this administration propose extreme deregulation, when we know that it is not a solution to the growing affordable housing crisis for people with the greatest needs?
- How can we know whether a program is working or whether these deregulation efforts are successful, if agencies are not required to assess and report outcomes?
- How can Congress uphold its constitutional obligation to serve as a check and balance against the executive branch, if it delegates its authority to the administration?

7. On abandoning the federal government's obligation to ensure basic living standards for American families:

HUD plays critical role in ensuring that some of America's most vulnerable families – including deeply poor families, seniors and people with disabilities – can afford to keep a roof over their heads. Despite HUD's proven track record, three out of every four families in need of housing assistance are turned away due to lack of funding. President Trump's budget would make this situation even worse by slashing HUD's budget by 15% or \$7.4 billion. While there is a role for states, the private sector, and philanthropy to play, there is no realistic way for these groups to ensure that everyone's basic housing needs are met.

• Does President Trump's budget signify that the administration is abandoning its obligation to ensure basic living standards for families with the greatest needs?