

Senate Committee Approves Robust Funding for Affordable Housing in FY19

The Senate Appropriations Committee [voted](#) June 7 to approve a draft fiscal year (FY) 2019 spending bill that provides robust funding for affordable housing and community development programs at the U.S. Department of Housing and Urban Development (HUD). The strong Senate bill is the direct result of the efforts by housing advocates across the nation and Congressional champions Senator Susan Collins (R-ME) and Jack Reed (D-RI). The bill will now head to the Senate floor.

The Senate bill builds on the 10% increase in HUD funding that advocates and Congressional champions secured in FY18 by providing \$1.8 billion in new resources in FY19. Overall, the bill provides HUD programs with more than \$12 billion more than the president's FY19 request and more than \$1 billion above the [House bill](#). In doing so, the Senate Committee clearly rejected the calls to [drastically cut housing investments](#) – in the form of funding cuts, harmful rent increases, rigid work requirements, and de facto time limits – proposed by the [White House](#) and [members of Congress](#).

The Senate bill fully funds all existing rental assistance contracts and includes additional resources to provide an estimated 7,600 new vouchers to veterans and youth aging out of the foster care system. In contrast, the House bill does not fully renew Housing Choice Vouchers and Project-Based Rental Assistance, which could result in fewer families being served through these programs.

The Senate bill also increases funding for public housing (\$2.78 billion for capital repairs and \$4.76 billion for operating), Homeless Assistance Grants (\$2.6 billion), Family Self Sufficiency (\$80 million), Healthy Homes & Lead Hazard Control (\$260 million), and the Office of Policy Development and Research (\$100 million). The bill renews all contracts for Section 811 Housing for Persons with Disabilities (\$154) and provides enough funding for new construction under Section 202 Housing for the Elderly (\$678 million). The Senate funds the HOME Investment Partnerships program (\$1.36 billion), Community Development Block Grants (\$3.37 billion) at last year's robust levels, despite calls for elimination by the president. The Choice Neighborhoods program, however, receives a \$50 million cut.

It is critical that advocates continue to work with Congressional leaders to help enact the higher funding levels provided in the Senate bill and to further expand resources to meet the growing needs in communities throughout the U.S. This year, advocates held more than 125 events and activities during the 2nd annual [Our Homes, Our Voices](#) National Housing Week of Action in early May. More than 2,400 organizations participated in a [national letter](#) urging Congress to protect and expand housing resources, and 1,400 organizations opposed efforts to cut housing benefits.

More details on the Senate spending bill can be found in below and in NLIHC's [updated budget chart](#).

Housing and Urban Development

Rent Policy Changes

Like the House version, the Senate bill rejects the rent policy changes proposed by the Trump administration that would have given HUD the authority to increase the financial burden on current and future tenants. The Trump administration had proposed providing the HUD secretary the authority to: increase a tenant's rent contributions from the current standard of 30% of their adjusted income to 35% of their gross income; eliminate income deductions for childcare and medical expenses; increase the minimum monthly rent for tenants living in severe poverty to \$150; and allow housing providers to impose rigid work requirements.

NLIHC and others are encouraged that the House and Senate bills reject these changes and will continue to monitor closely any efforts to impose punitive measures that would jeopardize family stability and increase the financial burdens tenants face.

Regulatory Reform

The Senate bill directs the HUD secretary to initiate a comprehensive review of existing public housing and rental assistance regulations to identify opportunities to streamline the administration of the programs. To do so, the bill requires the secretary to establish a regulatory advisory committee, which will include public housing agencies and independent subject matter experts. The findings of the committee must be submitted to the House and Senate Appropriations Committee by next year.

National Housing Trust Fund

Both the House and Senate bills reject the president's proposal to eliminate the national Housing Trust Fund (HTF), the first new federal housing resource in decades that is exclusively targeted to serve people with the lowest incomes. Protecting the HTF in these bills represents a significant victory for housing advocates, including NLIHC. We will continue to urge Congress to increase funding to the HTF through other legislative measures, including housing finance reform, an infrastructure spending package, and others. If the HTF had been eliminated through the appropriations process, it would have become far more difficult for advocates and congressional champions to expand this much-needed resource.

Tenant-Based Rental Assistance:

The Senate bill provides \$22.78 billion for tenant-based rental assistance (TBRA), including \$20.53 billion for the renewal of all previous contracts. This is critical because the House bill does not fully renew Housing Choice Vouchers, which could result in fewer families being served through these programs.

Like the House bill, the Senate version provides \$40 million for new HUD-Veterans Affairs Supportive Housing (VASH) vouchers and an additional \$5 million to serve Native American veterans. The Senate bill provides \$154 million for Section 811 mainstream vouchers, a decrease from the FY18 funding level of \$505 million but higher than the \$107 million requested by the administration. The House bill, on the other hand, would have funded Section 811 mainstream vouchers at \$390 million. The Senate bill also funds \$20 million to support new Family Unification Program (FUP) vouchers, but does not include funding for a mobility demonstration, as is included in the House version.

Both bills provide significantly more funding than the president's request, which would have resulted in the loss of more than 200,000 vouchers.

Project-Based Rental Housing:

The bill provides \$11.747 billion to renew Project-Based Rental Assistance contracts for calendar year 2019, an increase of \$600 million above the president's request. Advocates estimate that this funding level is sufficient to renew all contracts with project owners.

This is an improvement over the House bill, which does not fully renew Project-Based Rental Assistance contracts.

Public Housing:

The bill provides the capital account with \$2.775 billion, an increase of \$25 million over the FY18 funding level to allow public housing agencies to better address lead-based paint hazards. This continued robust funding will enable housing agencies to make critical repairs, such as fixing leaky roofs and replacing outdated heating systems, to improve living conditions for tens of thousands of residents and help preserve this essential part of the nation's affordable housing infrastructure for the future.

Funding for the public housing operating fund increased to \$4.76 billion, up from \$4.55 billion in FY18. The bill also provides a \$5 million increase to the Family Self-Sufficiency program, which is funded at \$80 million.

President Trump had proposed eliminating funding for the capital account and slashing funding for operating expenses in his FY19 budget.

Homelessness:

The bill increases funding for homeless assistance programs to \$2.612 billion from \$2.513 billion in FY18. The president would have funded the programs at \$2.383 billion. Additionally, the bill targets \$50 million to address youth homelessness and continues to waive the requirement that youth 24 years old or under provide third-party documentation to receive housing and supportive services within the Continuums of Care. The bill also provides \$25 million for rapid rehousing assistance for survivors of domestic violence.

The bill funds the U.S. Interagency Council on Homelessness, which the president proposed to eliminate, at \$3.6 million.

Other Housing Programs:

The bill provides \$678 million to the Section 202 Housing for the Elderly program, the same level of funding as FY18. This funding will meet the renewal needs of the program as well as provide \$51 million to produce new homes for seniors. The bill also includes \$10 million for new grants to allow low income seniors to modify or repair their homes to help them age in place.

While bill decreases funding for the Section 811 Housing for People with Disabilities program from FY18 levels by \$76 million to \$154 million, this amount is sufficient to renew all contracts. The FY18 spending bill provided \$230 million for Section 811, \$82.6 million of which was for new construction.

The bill would level-fund the Community Development Block Grant (CDBG) program at \$3.365 billion and the HOME Investments Partnerships program (HOME) at \$1.362 billion. Both programs would have been eliminated under the president's budget request. The House version provided \$1.2 billion for HOME.

Funding for the Housing Opportunities for People with AIDS (HOPWA) program was also level-funded at \$375 million. The House version of the bill funded the program at \$393 million, while the president proposed to fund HOPWA at \$330 million.

The Senate rejected President Trump's proposal to eliminate the Choice Neighborhoods Initiative, and it funded the program at \$100 million. This funding level is \$50 million below the FY18 level.

The bill provides level funding of \$655 million to the Native American Housing Block Grant program, \$100 million of which is available for new competitive grants. The program would have received \$600 million under the president's budget. The Native Hawaiian Housing Block Grant program was level-funded at \$2 million.

Healthy Homes:

The bill provides \$260 million to the Office of Lead Hazard Control and Healthy Homes' grants, \$30 million more than the FY18 enacted level. The president would have funded the program at \$145 million. From this allocation, \$95 million is targeted to communities with the highest lead-based abatement needs. The bill also provides \$45 million for the Lead Safe Communities Demonstration program that will examine the effectiveness of multi-year investments in lead-based paint remediation activities in five low income communities.

The bill also takes steps to address the physical conditions of HUD-assisted housing to ensure residents are living in decent and safe homes. It requires HUD to take action against property owners receiving rental subsidies who do not maintain safe properties. The language authorizes the HUD secretary to replace the property's management agent with one approved by HUD,

impose civil monetary penalties, change HUD's contract with the property owner until the program is resolved, transfer the property or contract to a new owner, and relocate tenants, among other actions.

Fair Housing:

The bill flat-funds HUD's office of Fair Housing and Equal Opportunity.

The bill also prohibits HUD from directing local governments to change their zoning laws under the agency's Affirmatively Furthering Fair Housing (AFFH) rule or with the AFFH assessment tool, as was included in the FY18 and other past spending bills.