NATIONAL LOW INCOME HOUSING COALITION
Memo TO Members

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Point of View: Unconscionable and Unacceptable - *By Diane Yentel, NLIHC President and CEO*

President Donald Trump's proposed budget shows in stark relief just how entirely and brutally he will break his promises to those "forgotten Americans" who elected him. To increase the military budget by nearly $100 billion, he would eliminate or drastically reduce much of the country's social safety net for low and moderate income households, including seniors, veterans, people with disabilities, and families with children struggling to get by. At a time when the U.S. spends more on its military than the next eight top defense-spending countries combined, and when America's pervasive housing crisis has reached historic heights most severely impacting the lowest income people, the proposed budget is unconscionable and unacceptable.

Mr. Trump would drastically reduce vital resources assisting some of the most vulnerable people in America's rural, urban and suburban communities alike. He would eliminate Community Development Block Grants, which provide communities flexible funding to address local needs as varied as Meals on Wheels programs, food banks for isolated and hungry seniors, and programs that provide homeownership opportunities for lower income families. He would eliminate the HOME Investments Partnership Program, which provides critical gap financing to make construction and rehabilitation of affordable homes possible. Mr. Trump would eliminate funding for the U.S. Interagency Council on Homelessness, NeighborWorks America, and the Legal Services Corporation, which is often the only resource available to help low income people avoid unwarranted evictions.

Mr. Trump would eliminate water and waste loans and grants to rural communities, cut staffing for Rural Development at the U.S. Department of Agriculture, and eliminate the Low Income Home Energy Assistance Program that keeps the heat on throughout cold winters in the homes of seniors and families with young kids. He would eliminate support programs at the Department of Veterans Affairs that provide services to homeless and at-risk veterans and their families.

The list, unfortunately, goes on. Outside of the budget process, Mr. Trump seeks to implement work requirements for Medicaid recipients, putting punitive barriers between some of the most vulnerable veterans, seniors and people with disabilities and the often life-saving health care they need. The imposition of such requirements leaves little doubt Mr. Trump will try to move forward with planned efforts to attach similar punitive requirements across the social safety net.

There are a few things that are important to keep in mind about this proposal:

- Despite the spin from the White House, the Trump budget clearly has nothing to do with reducing the deficit. It would increase military spending at the expense of resources serving struggling households throughout the country;

- The proposed HUD budget claims it will find savings of over $3 billion through "reforms to reduce costs." Don't believe that one for a moment. The cuts contemplated in this budget would necessitate cutting back on the programs that are a backstop between housing vulnerable seniors, veterans, and others and their eviction and eventual homelessness; and

- Most importantly, know that we can and will stop these cuts and harmful policy provisions from being enacted.

This is the beginning of what will likely be a long and protracted fight over funding the federal government. Some say that this budget proposal is only a "marker," an early "point of discussion and debate" and that it will not become law. That's likely true: it is receiving a very cool reception even among conservative Republicans on Capitol Hill. There's a saying in DC that "the President proposes and Congress disposes." That's likely never been truer than with this budget proposal and its extreme overreach.

But we cannot for one moment afford complacency. This budget proposal has moved the goal posts so far that it can create an environment where cuts only half as deep, or saving some programs slated for elimination while others receive deep cuts, are seen as reasonable compromises. Such an outcome is unacceptable, as is any vague promise of replacing regular annual funding for key housing and community development programs with a one-time spending boost in a remotely possible infrastructure spending bill, as has also been suggested.

This budget must not and will not stand. We will work with allies in Congress and with each of you – residents, partners, stakeholders, and advocates across the country - to ensure that this proposal is dead on arrival and that Congress maintains funding for all critical affordable housing and community development programs.

This afternoon, over 2500 organizations from across the country will join NLIHC and other leaders of the Campaign for Housing and Community Development Funding on a webinar to mobilize to stop Mr. Trump's disastrous budget in its tracks. We're just getting started – join us.

Thank you for your commitment and support and for your critical work and advocacy. It's never been more important.

Take Action

Register for Today's Webinar on Opposing President Trump's HUD Funding Cuts

NLIHC and other leaders of the Campaign for Housing and Community Development Funding (CHCDF) will host a webinar **today, March 20**, on President Donald Trump's proposal to severely cut funding for critical HUD programs that help some of the most vulnerable people in our communities keep a roof over their heads, including low income seniors, people with disabilities, families with children, veterans, and those who were formerly homeless.

During the webinar, we will discuss ways to effectively engage lawmakers and will provide advocacy tools like talking points, sample op-eds, statewide data, and best practices for setting up in-district meetings and site visits.

Speakers include:

- Diane Yentel, National Low Income Housing Coalition
- Nan Roman, National Alliance to End Homelessness
- Barbara Sard, Center on Budget and Policy Priorities
- Trey Reffett, Local Initiatives Support Corporation
- Elayne Weiss, National Low Income Housing Coalition

The webinar will be held **today, March 20, at 4 pm ET.** This webinar is limited to 2,000 attendees. After this limit is reached, you will not be able to watch this webinar live. A recording of this webinar will be available at: http://nlihc.org/events/webinars 24-hours after the broadcast.

Register for the webinar at: http://bit.ly/2nniw5G

Check out the advocacy toolkit at: http://bit.ly/2mxtjNc

Sign Letter Telling Congress to Protect Critical Affordable Housing and Transportation Funding; Deadline Extended to March 31

The release of the Trump administration's budget proposal on March 16 clearly showed that funding for affordable housing, community development, and transportation programs is under attack. Contact Congress today and tell them to protect the federal spending needed to ensure families and communities can thrive. And sign your organization onto a letter from advocates calling on Congress to protect vital programs. The deadline for signing the letter has been extended to **March 31**.

The Trump Administration's proposed severe budget cuts are designed to largely fall on critical safety net and other essential programs. Affordable housing, community development, and transportation programs that help raise families out of poverty—programs that are already facing significant cuts in the upcoming budget year because of the very low spending caps required by law – are at risk of even deeper cuts

Organizations and advocates concerned about critical transportation, housing, community development, and homelessness programs are working together to circulate a letter urging Congress to protect these programs from cuts, to lift the harmful caps on federal spending, and to provide the highest level of funding possible for these programs in FY18.

Please sign your organization on today at: http://bit.ly/2jnY5Ee

To view the letter to Members of Congress, visit: http://bit.ly/2ioVsDU

Please share the letter and encourage organizations in your network to sign.

Questions/Comments? Email outreach@nlihc.org.

Sign Letter Urging Congress to Protect and Expand the National Housing Trust Fund, Deadline March 22

Sign your organization onto a letter from advocates around the country asking Congress to protect and expand the national Housing Trust Fund (HTF). In the first year of funding for the HTF, states made plans to build and preserve affordable rental homes for extremely low income veterans, seniors, people with disabilities or special needs, low-wage workers, and people experiencing homelessness. This is an important first step toward ensuring the nation's 11.4 million extremely low income households have access to decent, affordable housing.

The HTF is the first new federal affordable housing resource in a generation, and it is exclusively targeted to build and preserve housing affordable to people with the lowest incomes. In 2016, the first $174 million in HTF dollars were allocated to the states. Because the HTF is administered as a block grant, each state has the flexibility to decide how best to use HTF resources to address its most pressing housing needs. The first year of funding was a strong start to the program, but Congress must significantly expand the HTF in order to address the critical affordable housing needs of the lowest income renters in every community in the U.S.

The need to protect and preserve the HTF is relevant to Congressional actions on the budget and in negotiations for FY17 and FY18 appropriations. Additionally, Congress is considering reforms to the government sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, in 2017. Because the HTF is funded through a small assessment on Fannie Mae and Freddie Mac's new business each year, reforms to the GSEs would have a direct impact on the HTF. Previous bipartisan legislation to reform the GSEs included a significant increase in resources to the HTF. Congressional leaders considering reforms during this session of Congress must protect and expand the HTF to assist the 7.4 million extremely low income households who lack access to affordable homes. There may also be opportunities to expand the HTF in a comprehensive infrastructure package and in comprehensive tax reform efforts.

Sign the letter by **March 22** urging Congress to protect and expand the HTF and share it with your networks.

Read and sign the letter at: http://bit.ly/2lKahD5

Contact your Congressional delegation directly at: http://bit.ly/2lBR7eM

Urge Your Representative to Cosponsor "The Common Sense Housing Investment Act"

Tell your representative to cosponsor the "Common Sense Housing Investment Act of 2017" to address homelessness and housing poverty in America without any increase in federal expenditures. Rental housing affordability for the lowest income people is an increasing challenge in every state and congressional district. Through tax reform legislation, Congress can make the tax code fairer for more families, reduce income inequality and racial inequity, and end homelessness and housing poverty once and for all.

The "Common Sense Housing Investment Act of 2017" (H.R 948) introduced by Representative Keith Ellison (D-MN) on February 7 calls for modest reforms to the mortgage interest deduction, a $70 billion tax write-off largely benefitting America's highest-income households. The reforms would provide new tax relief to millions of lower income homeowners and would reinvest more than $241 billion in savings over 10 years into affordable housing for people with the greatest needs.

The bill would boost funding for the Housing Trust Fund, the Low Income Housing Tax Credit, public housing, and rental assistance solutions without adding any costs to the federal government.

The reforms are simple. First, the bill reduces the amount of a mortgage eligible for a tax break from $1 million to $500,000. This change would impact fewer than 6% of mortgage holders nationwide, and even those who hold large mortgages would continue to receive tax relief on the first $500,000 of their mortgage. Second, the bill converts the mortgage interest deduction into a tax credit, allowing 15 million more low and moderate income homeowners who do not currently benefit from the mortgage interest deduction to get a much-needed tax break.

The NLIHC-led United for Homes campaign - including more than 2,300 national, state, and local organizations and elected officials in all 435 congressional districts - strongly endorses H.R 948.

More information on the "Common Sense Housing Investment Act" is at: http://bit.ly/2mNMJva

How You Can Take Action

1. Ask your representative to cosponsor H.R. 948 to help end homelessness and housing poverty in comprehensive tax reform.

Call Congress Today!

2. Endorse the United for Homes campaign that calls for reforms that mirror Mr. Ellison's bill! A list of UFH endorsers is available at: http://bit.ly/2mNYmCr

Join The Campaign!

3. Ask your colleagues, friends, and family to call their representatives and join the United for Homes campaign!

NLIHC News

Honor Amy Anthony and Ron Terwilliger at the 2017 NLIHC Housing Leadership Award Reception, April 4

NLIHC invites you to honor **Amy S. Anthony** and **J. Ronald Terwilliger** at the 2017 NLIHC Housing Leadership Awards Reception Tuesday, April 4 from 6 pm to 8 pm at the Washington Court Hotel in Washington DC**.**

NLIHC recognizes two extraordinary individuals each year for their contributions to affordable housing. This year, former CEO and Founder of Preservation of Affordable Housing (POAH) Amy Anthony will receive the 2017 Cushing Niles Dolbeare Lifetime Service Award for her many years of dedication, service, and innovative leadership in producing and preserving affordable rental housing for low income households. Founder of the J. Ronald Terwilliger Foundation for Housing America's Families Ron Terwilliger will receive the 2017 Edward W. Brooke Housing Leadership Award for his outstanding contributions to elevating the national discussion on recalibrating federal housing policy to better serve the needs of low income households.

In addition to attending the reception, please make a contribution today to honor these two exceptional individuals! The Annual Leadership Reception is NLIHC's single fundraising event, the proceeds of which constitute a significant part of NLIHC's budget.

Register for the event at: http://bit.ly/2mGndKx

For more information or questions, please contact Christina Sin at csin@nlihc.org or 202-507-7453.

Read about NLIHC's 2017 Organizing Award Nominees at *On the Home Front* Blog

NLIHC invites you to read about the 2017 Organizing Award nominees each Monday, Wednesday, and Friday through April 3 at the *On the Home Front* blog. Each year, NLIHC recognizes outstanding achievement in state, local and resident organizing through its Organizing Award. Organizing Award nominees have engaged in unique campaigns, programs, and methods in work that furthers NLIHC's mission of achieving socially just public policy that ensures people with the lowest incomes in the U.S. have affordable and decent homes.

The winner of the 2017 Organizing Award will be announced and the award presented on Monday, April 3 at the NLIHC 2017 Housing Policy Forum in Washington, DC.

The NLIHC Organizing Award Selection Committee reviewed a total of twelve outstanding nominations from organizations large and small across the country engaged in statewide, countywide, and neighborhood organizing. The nominees carried out innovative advocacy organizing efforts to achieve an array of solutions to the affordable housing and homelessness crises in their communities, all centered on addressing the rental housing needs of the lowest income households.

NLIHC's *On the Home Front* blog will showcase the significant accomplishments and ongoing work of this year's Organizing Award nominees. The series of blogs will culminate with an entry on Monday, April 3, announcing this year's winners and sharing their recent successes.

Follow this series to learn about this year's Organizing Award nominees at: http://hfront.org

United for Homes

Interactive Map Shows UFH Proposal Benefits for Each State

The new United for Homes (UFH) campaign website features an interactive map showing the benefits of the UFH proposal for each state and the District of Columbia.

The UFH campaign calls for modest reforms to the mortgage interest deduction (MID) that would benefit millions of lower income homeowners and generate billions of dollars in savings to be invested in affordable housing for the lowest income renters. The campaign calls for reducing the portion of a mortgage eligible for a tax break from $1 million to $500,000, impacting fewer than 6% of mortgage holders nationwide, and converting the MID into a tax credit. Nationally, these two changes would allow 15 million more low and moderate income homeowners who do not currently benefit from the MID to receive tax relief and would generate $241 billion over ten years to invest in affordable rental housing solutions.

The interactive map allows website visitors to access data on affordable housing and the impacts of the UFH proposal in their states. The map shows, for example, that:

- In Michigan, where just 1.1% of mortgages are over $500,000, the UFH proposals would generate $4 billion in savings over ten years which could provide the state 83,023 more rental assistance (vouchers or renter tax credits) or build 46,716 new affordable rental homes. More than 832,000 lower income homeowners who do not currently benefit the MID would receive a tax break.
- In Texas, where just 2.9% of mortgages are over $500,000, the UFH proposals would generate $13 billion in savings over ten years which could provide the state 222,613 more rental assistance (vouchers or renter tax credits) or build 131,550 new affordable rental homes. More than 1.9 million lower income homeowners who do not currently benefit the MID would receive a tax break.
- In Florida, where just 3% of mortgages are over $500,000, the UFH proposals would generate $11 billion in savings over ten years which could provide the state 150,689 more rental assistance (vouchers or renter tax credits) or build 112,852 new affordable rental homes. Approximately 1.7 million lower income homeowners who do not currently benefit the MID would receive a tax break.
- In Missouri, where just 1.5% of mortgages are over $500,000, the UFH proposals would generate $3 billion in savings over ten years which could provide the state 59,758 more rental assistance (vouchers or renter tax credits) or build 31,293 new affordable rental homes. More than 506,000 lower income homeowners who do not currently benefit the MID would receive a tax break.

Visit the new UFH campaign website and interactive map at: http://www.unitedforhomes.org/

UFH Endorser Webinars

The United for Homes (UFH) campaign will continue its series of monthly webinars for current campaign endorsers with an April 12, 2 pm ET webinar "Just in Time for Tax Day—Deductions, Credits, and Homeownership." Urban-Brookings Tax Policy Center Institute Fellow and Co-Director Eric Toder will provide a detailed analysis of the implications of the UFH proposal to convert the mortgage interest deduction (MID) to a tax credit.

Attendees of all UFH endorser webinars will have firsthand access to key resources and best practices to share the message of rebalancing federal housing expenditures through modest reforms to the MID. The March webinar, "New Partners, New Voices—Expanding the United for Homes Campaign," expanded on how endorsers can garner support among non-housing partners that share a commitment to social justice. It discussed the interconnectedness of affordable housing and education, public health, wages, and transportation and shared tips to successfully mobilize groups from these sectors in support of rebalancing federal housing policy to ensure the lowest income people in America have decent, stable, and affordable homes. Bringing on endorsers from a broad cross-section of sectors will be essential as the campaign builds beyond its current 2,300 UFH organizational and elected official supporters. The February UFH webinar reviewed strategic opportunities to engage with the media and provided talking points, sample tweets, op-eds, and press releases that can be used to spread a compelling message.

Future webinars will feature guest experts, policymakers, advocates, and researchers on topical issues. All webinars and resources, including the UFH Media Tool Kit, state-specific information, NLIHC's report *The Gap: A Shortage of Affordable Homes*, taxpayer profiles, scripts for engaging members of Congress, and more are available on the UFH website at: http://www.unitedforhomes.org/

If you have not already registered for the monthly UFH endorser webinars, register for the April 12 event at: http://bit.ly/2irHS2E. Once you register, you will no longer need to register again for the monthly UFH endorser webinars.

View the previous United for Homes endorser webinars at: http://www.unitedforhomes.org/webinars/

If you are not already a UFH endorser, please join the campaign at: http://www.unitedforhomes.org/join-the-movement/

If you are not sure if you are a UFH endorser, check the list of current endorsers at: http://www.unitedforhomes.org/national-supporters/

Budget

Trump Administration Proposes Extreme Cuts to HUD Budget and Programs that Benefit People with Low Incomes

The Trump Administration has proposed devastating cuts to HUD's already tight budget. On March 16, President Donald Trump released his budget blueprint that slashes overall HUD funding by 13% or $6.2 billion compared to FY16 levels. When compared to funding levels needed for FY17, the proposed cuts amount to a 15%, or $7.5 billion, reduction.

The Trump budget reduces non-defense discretionary (NDD) levels for FY18 by $54 billion below the sequester spending cap for that year, while increasing defense spending by the same amount. Defense spending gets an additional $77 billion boost through the Overseas Contingency Operations (OCO) account.

The budget proposal also reduces NDD levels by $18 billion for FY17, the current appropriations year for which there is a Continuing Resolution (CR) through the end of April. It simultaneously increases defense spending by $25 billion for FY17, with an additional $89 billion coming from the OCO account. It is unclear where the Trump Administration is proposing to make cuts in NDD funding for FY17.

Under the budget proposal, gross discretionary spending for HUD would be capped at $40.7 billion for FY18. By comparison, President Obama requested $48.9 billion for HUD in FY17. The U.S. Department of Agriculture (USDA), which includes Rural Development and the Rural Housing Services, would see its budget cut by 21% compared to FY16 levels.

These budget cuts would have a devastating impact on millions of the lowest income people nationwide and on the economy as a whole. More than 200,000 seniors, families, and people with disabilities will be at immediate risk of eviction and homelessness, and local communities will lose the funding they need to build and repair affordable homes and revitalize distressed communities. NLIHC estimates that the proposed budget cuts to HUD alone would lead to 123,786 fewer jobs supported through HUD investments throughout the country.

The Trump Administration states that its budget would continue to provide housing assistance to the 4.5 million low income families who currently rely on these resources. However, their proposal identifies only $4.1 billion of the $7.5 billion they propose to cut. While they suggest that the remaining $3.4 billion can be addressed through "reforms that reduce costs," there is simply no way to make up for this funding gap without directly harming the low income people who currently receive and rely on HUD housing assistance.

The proposed budget would also:

- Eliminate at HUD the Community Development Block Grants, the HOME Investment Partnerships program, Choice Neighborhoods grants, the Section 4 Capacity Building program, and the Self-help Homeownership Opportunity Program. The proposal would increase funding for mitigating lead-based paint and other health hazards.

- Eliminate funding for the U.S. Interagency Council on Homelessness, the Neighborhood Reinvestment Corporation (NeighborWorks America), and the Legal Services Corporation (Legal Aid), which is often the only resource available to help deeply low income people avoid unwarranted evictions.

- Eliminate water and waste loans and grants and cut staffing for Rural Development at the U.S. Department of Agriculture (USDA).

- Eliminate funding to the Treasury Department for Community Development Financial Institutions (CDFI) Fund grants.

- Eliminate the Low Income Home Energy Assistance Program (LIHEAP) and Community Services Block Grants (CSBG) at the Department of Health and Human Services.

- Eliminate the Weatherization Assistance Program (WAP) at the Department of Energy.

- Support programs that provide services to homeless and at-risk veterans and their families at the Department of Veterans Affairs.

In response to the budget release, Senate Minority Whip Richard Durbin (D-IL) stated, "President Trump's budget is terrible economic policy and would be a disaster for America. Slashing funding for the things American families need most, like affordable housing, home heating, early childhood education, roads and bridges, and medical research and development, won't even come close to balancing the national budget but will hurt countless people along the way."

"The Trump Administration's proposal to gut critical funding for housing, transit, and community development contradicts the president's repeated promises to invest in America's infrastructure and rebuild our cities," said Senator Sherrod Brown (D-OH), the top Democrat on the Senate Banking Committee. "Cuts of this magnitude are as dangerous as they are cruel, especially at a time when more than 11 million families are paying more than half their income toward rent. This budget will put more Ohio children, families, and seniors at risk of losing their homes, and I will do everything in my power to oppose it."

Representative Nita Lowey (D-NY), the Ranking Member of the House Appropriations Committee, issued a report detailing the severe impacts the proposed budget would have on American families and communities if passed by Congress. "This budget request is a betrayal of President Trump's promises," said Ms. Lowey. "If enacted into law, these cuts would have a disastrous impact on job security; health; schools; safe, clean, and secure communities; and American leadership. It is a framework to shift more and more burdens onto the shoulders of working families."

The Campaign for Housing and Community Development Funding will host a webinar **today, March 20**, in response to the Trump budget blueprint and will provide tools and tips for advocates to fight back against these proposed budget cuts.

We have also extended the CHCDF deadline for signing onto the letter calling on Congress and the Trump administration to work together to lift the spending caps for FY18, with parity for defense and non-defense programs, and ensure housing and community development programs receive the highest funding allocations possible. More than 3,000 national, state, and local groups, as well as local governments, have signed onto the letter so far. The new deadline for signing the letter is **March 31.**

Register for today's webinar at: http://bit.ly/2nniw5G

Sign onto the CHCDF letter by March 31 at: http://bit.ly/2kZOp34

Read Diane Yentel's statement on the proposed budget: http://bit.ly/2mGyHuP

Check out NLIHC's factsheet estimating the Trump budget proposal's impact on jobs by state at: http://bit.ly/2mz4VIp

Check out the advocacy toolkit at: http://bit.ly/2mxtjNc

Read Representative Lowey's report at: http://bit.ly/2n5KOVt

Administration

Executive Order Requires OMB to Recommend Agencies to Eliminate or Streamline

President Donald Trump issued Executive Order (EO) 13781 requiring the director of the Office of Management and Budget (OMB) to propose a plan to eliminate unnecessary federal agencies, components of agencies, and agency programs and to merge functions for greater efficiency.

Within 180 days, the head of each federal agency, including HUD Secretary Ben Carson, must submit to OMB a plan to reorganize the agency, "if appropriate." In addition, OMB must publish a notice in the *Federal Register* inviting public suggestions for improving the organization and functioning of the executive branch of government.

At the end of the public suggestion period, OMB has another 180 days to submit a reorganization plan to the president. This plan must include recommendations to eliminate unnecessary agencies, components of agencies, and agency functions and to merge functions for greater efficiency.

In developing the plan, OMB must consider whether some or all of the functions, components, or programs of an agency are appropriate for the federal government or should be undertaken by state or local governments or the private sector. OMB must consider whether the functions, components, or programs of an agency duplicate those of another agency and must weigh the cost of continuing to operate an agency or any of its components or programs against public benefits.

EO 13781, issued March 13, 2017, is at: http://bit.ly/2n2HNoE

The Budgetary Impact Analysis is at: http://bit.ly/2na8CaT

Congress

ACA Repeal Legislation Stumbles but Advances; Trump Urges Adding Work Requirements to Medicaid

The Congressional Budget Office (CBO), an independent, non-partisan agency, reported on March 13 that the House Republican bill to repeal the Affordable Care Act (ACA) would reduce access to healthcare coverage for 24 million people over ten years. Republican leaders from the White House and Congress dismissed the CBO's findings and defended their proposal, while signaling a willingness to make changes to the bill to address the concerns of their Republican colleagues. In an effort to assuage conservatives, President Trump recommended adding provisions to allow states to impose work requirements, premiums, and emergency-room copayments within Medicaid.

The House Budget Committee agreed by a 19-17 mostly party-line vote on March 16 to advance the legislation to the full House, which is expected to vote on it this week. Three Republicans – Senators Mark Sanford (SC), Dave Brat (VA) and Gary Palmer (AL) – voted against the motion.

Several Republican senators warned against repealing the ACA without a fully developed plan for a replacement. Others expressed concerns that the House plan would harm states that had expanded access to Medicaid, which provides health insurance to more than 70 million low income people, and would result in steep cost increases. The CBO reported that the repeal bill would cut Medicaid spending by a quarter over the next 10 years, a reduction of $880 billion that would lead to a 17% reduction in enrollees and/or require states to shoulder more of the cost burden. More conservative House Republicans argued that the repeal bill does not go far enough. They prefer ending the ACA's Medicaid expansion sooner and reducing tax credits that would be provided in the House bill to help people pay for private health insurance.

To garner more support in the House, President Trump has asked Republican leaders to add provisions to the healthcare repeal bill to allow states to restrict access to Medicaid by imposing work requirements, premiums, emergency-room copayments, and other changes that would make it more difficult for low income people to access the assistance.

Senate Democrats, led by Senator Chuck Schumer (D-NY), continued to oppose all efforts to repeal and replace the ACA. "More and more Republicans don't like [the House bill], and Democrats are totally united against it," Mr. Schumer said. "Democrats are going to stand strong, stay united, and fight tooth and nail against Trumpcare until our Republican friends drop their repeal effort for good."

House Appropriations Committee Holds Oversight Hearing on HUD

The House Committee on Appropriations held a hearing on the oversight of HUD and the Department of Transportation on March 16. During the hearing, lawmakers examined the top persistent management challenges at HUD and noted HUD's insufficient staffing and its need for improved leadership to address the agency's challenges.

In his opening remarks, Ranking Member David Price (D-NC) recognized HUD's perennial struggle to modernize its information-technology infrastructure and human capital management and its failure to establish strong internal controls. HUD Inspector General David Montoya noted the interconnectedness of HUD's key management and performance challenges. Mr. Montoya said that HUD's most significant challenge is its inability to establish and implement effective financial management controls. He testified that addressing HUD's challenges is an ambitious task given the agency's limited staff, diverse programs, thousands of people implementing the programs, and the millions of beneficiaries of HUD programs.

Representative David Young (R-IA) asked Mr. Montoya how Congress can help HUD address its management issues. Mr. Montoya responded that HUD's issues are the result of a failure in leadership that has not prioritized staff, systems, and processes. He said that internal controls are difficult to implement because HUD's systems operate in silos but that adequate policies and procedures are not in place.

Representative Tom Graves (R-GA) expressed a concern about previous audit findings that above-income-threshold families were inappropriately benefiting from HUD housing assistance. Mr. Montoya replied that the "Housing Opportunities through Modernization Act of 2016" addressed that issue, requiring housing authorities to evict families two years after they have exceeded income thresholds.

More information about the hearing is available at: http://bit.ly/2nJBuDG

Research

Uneven Housing Values Worsen Racial and Income Segregation

A report by Cheryl Young at Trulia, *Housing Diversity: What Home Values Say About Inequality,* finds a strong correlation between the unevenness of housing values across America's 100 largest metropolitan areas and the racial and income segregation within a metro area. Housing segregation among owners and renters is greater in smaller markets, reducing the availability of affordable housing for low income households. The lack of housing options in terms of price and tenure (homeownership or rental) constrains choice, particularly for lower income households, worsening persistent residential segregation.

The study created an index that measures the share of neighborhoods with the highest and lowest housing values compared to the metro area median. The author scored metro areas on a scale from 0 to 100, with higher values reflecting greater home-value segregation. Metro areas with the greatest segregation of home values in 2016 were Detroit (72.2), Milwaukee (66.7), Fairfield County, CT, (61.0), Birmingham, AL (60.6) and Dayton, OH, (58.3). Milwaukee and Detroit were also two of the most racially segregated cities.

Home value segregation decreased in more than half of the metro areas (53 of 100) from 2010 to 2015, but income segregation decreased in just 36 out of 100 metro areas. Metro areas with the largest declines in home value segregation lost a greater proportion of inexpensive neighborhoods than expensive neighborhoods, as most of these markets are recovering from the 2008 housing collapse and are experiencing a convergence of home values. Fifty-five out of the 100 largest metro areas have fewer neighborhoods categorized as "very low value" compared to five years prior.

Conversely, most metro areas that saw the largest increases in home value segregation experienced an increase in the proportion of inexpensive neighborhoods. In Detroit, for example, very low priced neighborhoods increased by more than 17 percentage points, while very expensive neighborhoods grew by less than 5 percentage points. The exceptions to this trend were New York City, Boston, and Allentown, PA.

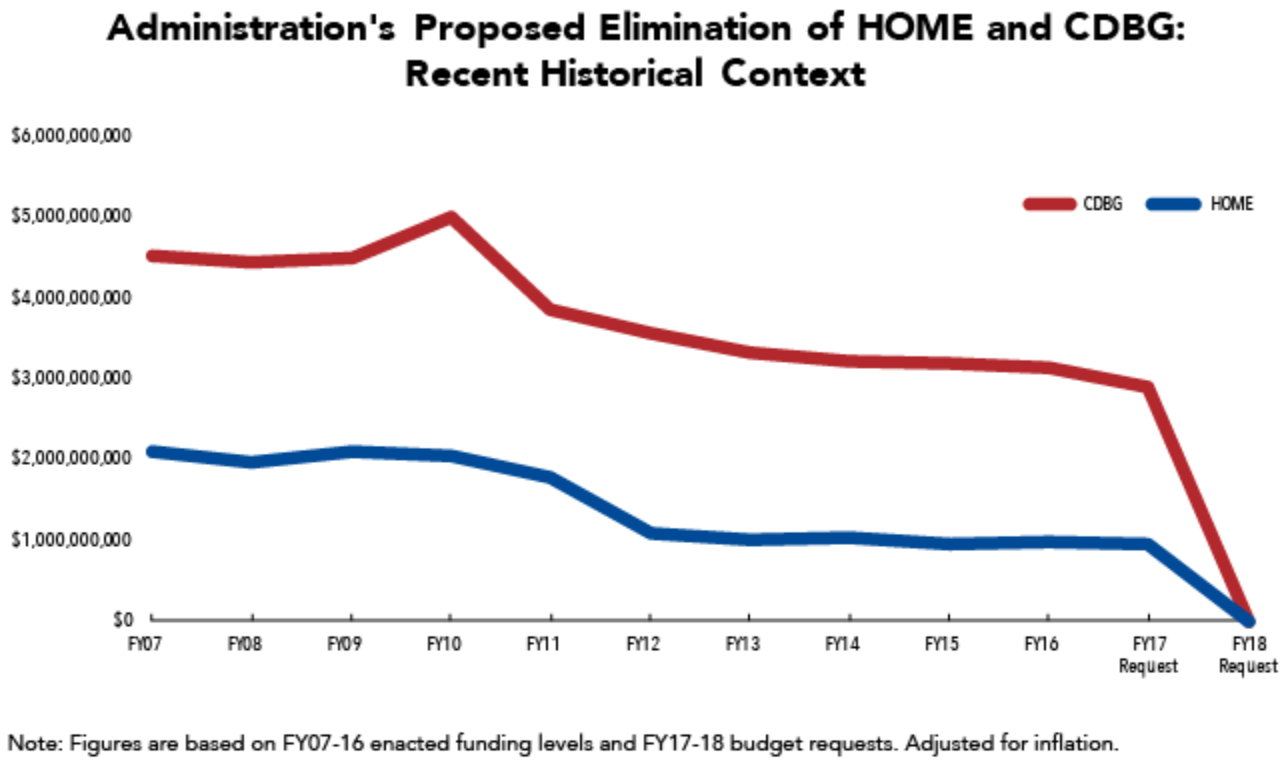
Increases in home-value segregation result in a lack of housing options in terms of price and tenure for lower income households. Low income households can often only find affordable homes in low income and racially segregated neighborhoods, perpetuating that segregation. The author urges local governments to expand housing choices by incentivizing low income housing investments in neighborhoods where lower-priced homes are disappearing.

The report's data on race, housing tenure, and income come from the U.S. Census 5-Year American Community Survey from 2010-2015.

Housing Diversity: What Home Values Say About Inequality is available at: http://on.trulia.com/2npsG6u

Fact of The Week

Administration's Proposed Elimination of HOME and CDBG Comes after Years of Declining Resources



Source: NLIHC, March 17, 2017. Figures based on FY07-16 enacted funding levels and FY17-18 budget request. Adjusted for inflation.

From the Field

Utah Legislature Passes Expansion of State Housing Tax Credit with Deeper Affordability

Both houses of the Utah Legislature recently passed legislation to expand the state's low income housing tax credit program and to establish a new supplemental funding source dedicated to serving extremely low income households. The successful legislation is the result of sustained advocacy by many groups over several years, including Utah Housing Coalition, an NLIHC state partner. The bill now awaits Governor Gary Herbert's (R) signature, which is expected given the governor's original budget proposal included greater funding for all of the programs included in the legislation.

The new legislation will allow the Utah Housing Corporation to administer tax credits valued at up to $4 million. Additionally, $2 million is now set aside for the State Housing and Community Development Division to establish an Economic Revitalization and Investment Fund. Representative Becky Edwards (R) introduced and shepherded House Bill 36 (HB 36) to passage with strong bipartisan support.

The new $2 million appropriation for the Economic Revitalization and Investment Fund is a one-time allocation specifically for loans to develop and operate affordable housing. The loans, which can be no-interest loans with deferred repayment, must be used for homes that are affordable to households at 30% of area median income

(AMI) and below. Apartments supported through the fund can remain in compliance for households earning up to 60% of AMI, as long as those households were at or below the 30% AMI threshold when the lease began.

HB 36 also provides $500,000 to create a pilot program offering reimbursement grants to offset property damages or other losses incurred by landlords who accept federal Housing Choice Vouchers (Section 8). This pilot program was created after extensive debate during the 2016 legislative session in which advocates successfully defended Utah's protections against source-of-income discrimination under the state's Fair Housing Act (see *Memo*, 3/21/16). The pilot program is based on a previous effort in Oregon—the Housing Choice Landlord Guarantee Program—implemented to assuage landlords worried that accepting vouchers would lead to increased property destruction and rent delinquency.

The campaign to pass HB 36 included more than just traditional affordable housing advocates, garnering support from the Utah Apartment Association, the Utah Transit Authority, and the Utah Bankers Association. The broad nature of the coalition played a significant role in gaining a 62-9 vote in the House and a 25-1 vote in the Senate. Advocates will continue to argue for further expansion of the Economic Revitalization and Investment Fund in future legislative sessions.

"HB 36 is a terrific step forward for affordability in Utah, and it allows us to make progress toward reducing homelessness," said Tara Rollins, executive director of the Utah Housing Coalition. "We are delighted to see a growing consensus that our limited resources must be devoted to those households who have the deepest needs."

For more information about HB 36 and other advocacy in Utah, contact Tara Rollins at trollins@xmission.com.

Read HB 36 as passed by the legislature at: http://bit.ly/2nhQWdG

NLIHC in the News

NLIHC in the News for the Week of March 12

The following are some of the news stories that NLIHC contributed to during the week of March 12:

- "If you're a poor person in America, Trump's budget is not for you," *The Washington Post*, March 16 at: http://wapo.st/2neb2Wd
- "How Trump's Budget Would Impact Cities' Poorest Residents," *The Atlantic*, March 16 at: http://theatln.tc/2mx9MJk
- "'Unconscionable and Unacceptable': Trump's Housing Agency Budget Hits Poorest Americans the Hardest," *Mother Jones*, March 16 at: http://bit.ly/2nfj1Cj
- "Entire Homelessness Agency Could be Eliminated By Trump's Budget Cuts," The Guardian, March 16 at: http://bit.ly/2mWBrXE
- "Trump's Budget: Expect Reagan-Era Levels of Homelessness," City Lab, March 16 at: http://bit.ly/2n3ZNiA
- "Investment in Affordable Housing Has Ripple Effect," Next City, March 14 at: http://bit.ly/2mNDZqE
- "Wall Street bets on tax cuts as affordable housing pays the price," *Politico*, March 14 at: http://politi.co/2nC0oEW

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