

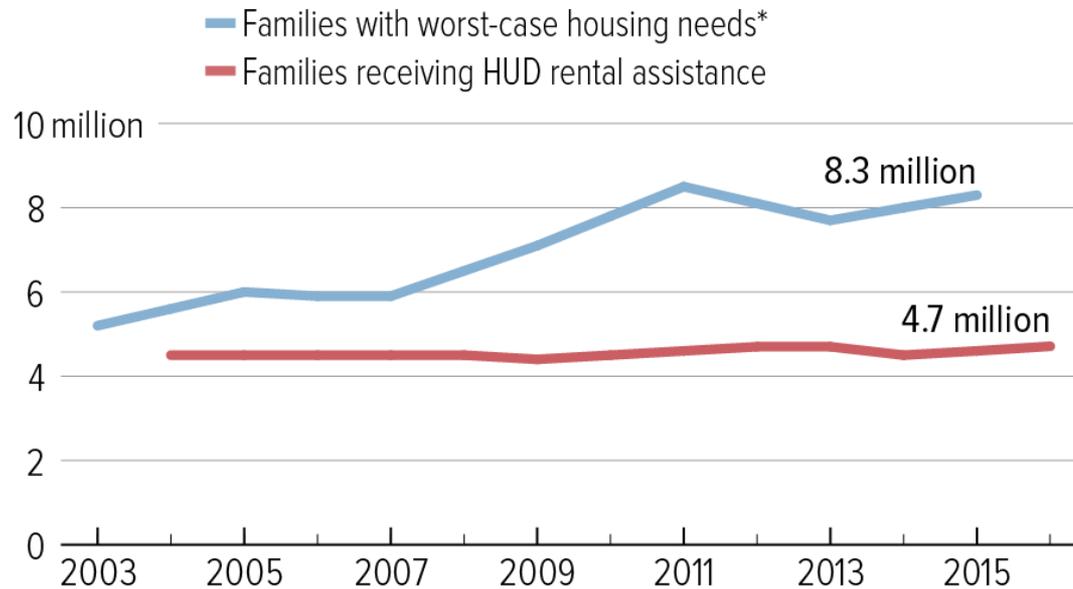


OUR HOMES, OUR VOICES

FY19 Budget Update

Elayne Weiss, Senior Policy Analyst, NLIHC

Federal rental assistance has not kept pace with growing need



*“Worst-case housing needs” = renters with incomes below half of the local median who receive no housing assistance and pay more than half of their income for rent and utilities and/or live in severely substandard housing. Data on worst-case housing needs only available through 2015; data on number of assisted families not available for 2003. Rental assistance includes all Department of Housing and Urban Development programs with subsidies tied to tenant income except Housing Opportunities for People with AIDS/HIV and McKinney-Vento permanent housing.

Source: HUD's 2015 and 2017 Worst Case Needs reports and Picture of Subsidized Households data

Bipartisan budget deal



- Enacted on February 9
- Raised funding caps for non-defense discretionary programs (NDD) and defense for 2018 & 2019
- Implications of budget deal
 - Enabled Congress to finalize 2018 funding
 - Set topline funding levels for 2019

Increased Funding from Final 2018 Omnibus Bill



\$52.7

billion for HUD programs

Increase of

\$4.7 billion or 10%

over 2017 funding level.

Highlights

- Fully funds voucher renewals as well as an additional 60,000 new vouchers
- Significant new funding for public housing capital
- Provides full funding to renew project-based rental assistance
- Provides an additional \$130 million for homeless assistance
- Housing for seniors and people with disabilities received money to build new units and provide project rental assistance
- Increase to HOME and CDBG funding

NDD funding in bipartisan deal remain below 2010 levels



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

Budget Outlook and Timeline for FY19



- 2019 non-defense discretionary spending cap: **\$597 billion** (3.1% above 2018)
- Budget Timeline:
 - **Late April/Early May:** House/Senate appropriations committees set working funding allocations for THUD and other 11 subcommittees and begin bill drafting
 - **May:** Subcommittees/full committees begin considering bills
 - **Late July:** Goal to move all 12 bills through committees before August recess
 - **September/November:** Will likely approve a short-term stopgap funding measure and complete final 2019 budgets after November elections.

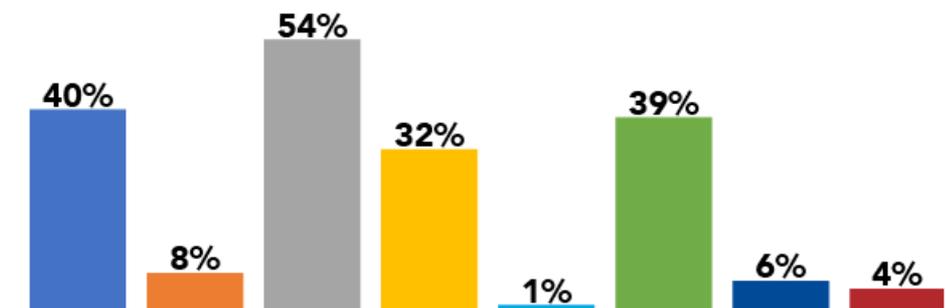
GOAL: Sustain program funding gains included in the FY18 Omnibus

FY18 funding in perspective

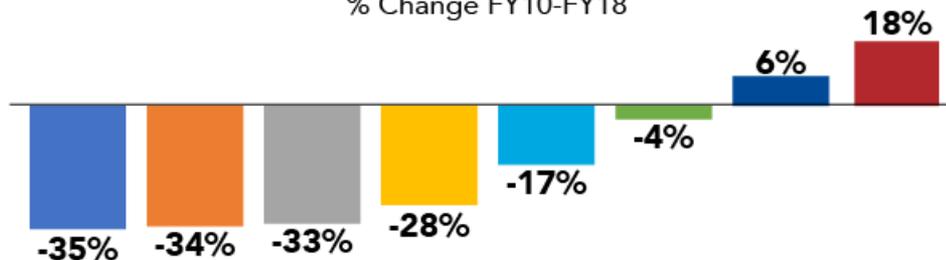


Changes in Enacted Funding Levels for Key HUD Programs: Recent Gains and Long Term Challenges

% Change FY17-FY18



% Change FY10-FY18



- HOME Investment Partnerships Program
- Community Development Fund
- Housing for Persons with Disabilities
- Housing for the Elderly
- Public Housing Operating Fund
- Public Housing Capital Fund
- Tenant Based Rental Assistance
- Project-Based Rental Assistance

Note: Adjusted for inflation.

Trump Proposes Cuts in FY19 Budget Request for HUD



\$41.2

billion for HUD programs

22% decrease

Or \$11.5 billion **below** final 2018 budget

- Housing Choice Vouchers: \$1.8 billion shortfall for renewals, leaving 200,000 without renewal funds in 2019
- Section 8 Project-Based RA: \$360 million below 2018 renewal cost, even further below 2019 cost
- Public Housing: 55% cut below 2018
- Homeless Assistance: frozen at 2017 level
- HTF/HOME/CDBG/CNI: eliminated
- Proposes housing program policy changes that would **raise rents**, and increase hardship for assisted residents

Trump FY19 Budget

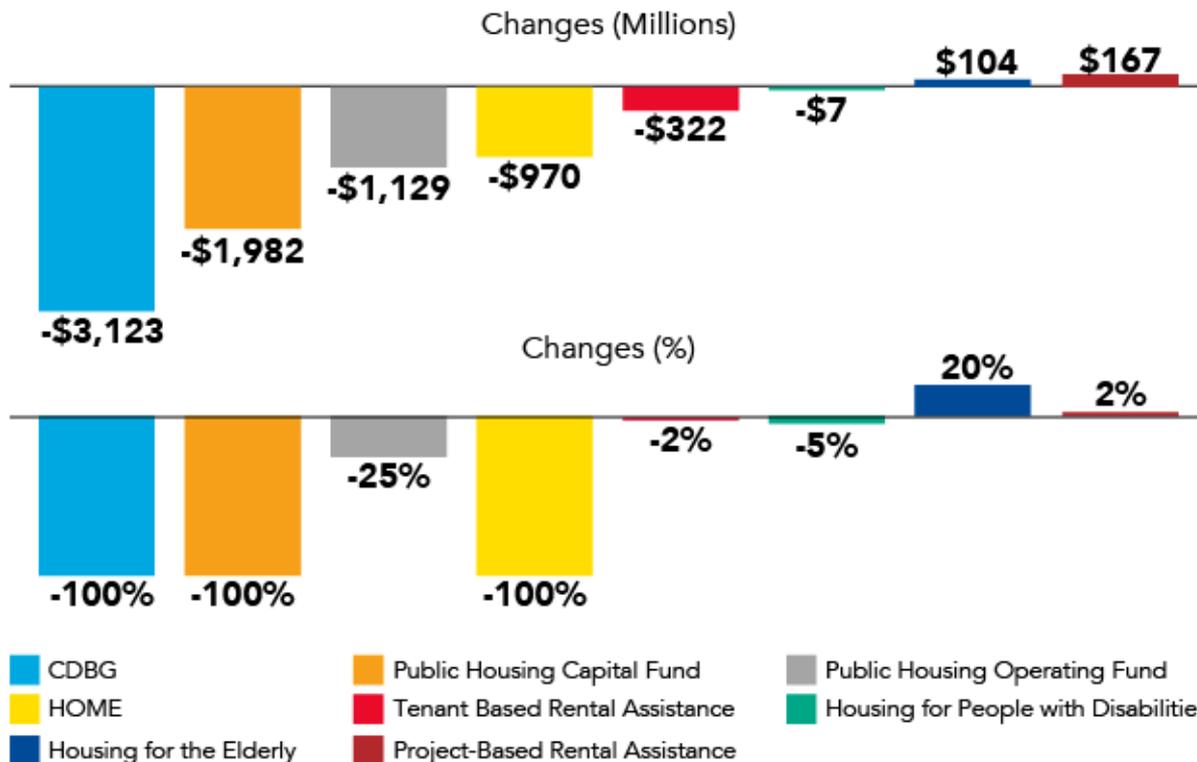


(Figures in millions)	Final FY 2017	Final FY 2018	Trump 2019
Housing Vouchers	\$20,292	\$22,015	\$20,550
Renewals	\$18,355	\$19,600	\$18,749
New VASH, FUP, NED	\$60	\$569	-
Section 8 Project-Based	\$10,816	\$11,515	\$11,147
Public Housing	\$6,342	\$6,445	\$3,279
Homeless Assistance	\$2,383	\$2,513	\$2,383
Section 202 Housing for Elderly	\$502	\$678	\$601
Section 811 Housing for People with Disabilities	\$146	\$230	\$140
Housing Opportunities for People with HIV/AIDS	\$356	\$375	\$330
HOME Block Grants	\$950	\$1,362	-
Native American Housing Block Grants	\$654	\$655	\$600
Community Development Block Grants	\$3,000	\$3,300	-
HUD PROGRAM TOTAL (gross)	\$48,056	\$69,257	\$41,200

Trump budget request compared to FY17



**Proposed Changes in Funding Levels for Key HUD Programs
(FY17 Enacted to FY19 President's Request)**



Note: Adjusted for inflation.

Trump budget includes rent increases and work requirements



Imposes minimum rents
35% of 15 hours/week for 4
weeks at minimum wage
\$150/month
(currently \$50/month)

Allows PHAs and project
owners to impose arbitrary
work requirements

- Non-elderly, non-disabled households would have their rents increase from 30% of adjusted income to 35% of gross income.
- Seniors and people with disabilities would have their rents increase from 30% of adjusted income to 30% of gross (current residents will have increase phased in over 6 years)
- Eliminates child care and medical deductions
- Applies to HCVs, PH, PBRA, 202, 811. Complex set of other provisions, include authority for HUD to establish alternative rent policies
- Locks families into higher rents, even if their income decreases

Key Messaging for Advocates



- Investing in affordable housing = long term outcomes
- Additional federal resources are needed to fully address the need and restore HUD funding to previous levels.
- Congress must again hear from advocates that we need to continue a bold and sustained commitment to ensure that **everyone** has a safe, accessible and affordable home.
- Tell members of Congress to reject the deep cuts and harmful policies proposed by the Trump administration