



Budget Defended But Numbers Talk

Trump administration Budget Director Mick Mulvaney slammed what he terms fear-mongering by Democrats about President Donald Trump's FY 2018 budget request but the budget numbers where housing is concerned speak for themselves.

Traditional public housing, the Section 8 housing-voucher program, housing landlord contract rules, and housing for the elderly and disabled face cuts and new policy directions.

Mulvaney tried to defend his budget recommendations before the House Budget Committee a day after officially unveiling the numbers, but his defense was deflated by committee Democrats pressing him on accusations of "double-counting" to massage budget calculations.

Former Treasury Secretary Lawrence Summers asserted a day earlier that Mulvaney essentially double-counted the benefits of tax reform without taking revenue losses and costs originating from the tax cuts into consideration.

Mulvaney admitted the Office of Management & Budget calculated the spending plan based on the most favorable outcomes of financial legislation including tax reform.

However the numbers are crunched, though, HUD takes a heavy hit on top of the financial whacks it has received since 2010. Housing industry advocates decry the cuts in no uncertain terms.

Projecting a NHTF hit, advocates contend the loss of Section 8 housing subsidies added to overall housing programs cuts amount to a more than 17% or \$7.7 billion hit on affordable housing compared to the FY 2017 spending law.

The spending proposal also targets Community Development Block Grant, Choice Neighborhoods, HOME Investments Partnerships, Section 4 Capacity Building, and Self-help Homeownership Opportunity programs for extinction.

The NLIHC calculates that more than 250,000 families could lose their Section 8 housing. The budget calls for upping public housing rent caps from 30% of earnings to 35% and charging tenants for basic utilities.

The proposal gives full support to the Rental Assistance Demonstration program, indicating the Obama administration concept likely will move from a pilot program to a full-fledged effort. The proposal recommends removing the legal limit on the number of public housing units allowed to participate in RAD.

Now, only 225,000 units are allowed while the total number of public housing units nationally is 1.3 million. Of those, most of the units unable to benefit from the HOPE VI rehabilitation program are crumbling with a HUD-estimated fix-up price tag of more than \$26 billion.

The Trump administration sees RAD as a key strategy to recapitalize the nation's at-risk public housing stock.

The budget also requests that senior housing developments participating in HUD's Section 202 Program become eligible to participate in RAD to preserve housing for the elderly.

Info: See the budget justifications at www.cdpublications.com/docs/9186

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