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## Senate Boosts Housing Subsidies

Senate Majority Leader Mitch McConnell's (R-KY) decision to keep the Senate in Washington during the traditional August recess gave lawmakers an opportunity to approve the FY 2019 HUD spending proposal.

The Senate bill increases the public housing capital fund by \$25 million over the House version to \$2.275 billion. The Trump administration wants to eliminate the fund. The House keeps the public housing operating fund at the FY 2018 level of \$4.550 billion, up from the \$3.279 billion HUD requested. The Senate bill would add \$206 million.

The Senate one-ups the House on Section 8 housing vouchers and project-based rental assistance. The Senate fully funds all existing rental assistance contracts and adds \$305 million to provide an additional 7,600 vouchers for veterans and children aging out of the foster care system.

The Senate provides \$2.529 billion for Section 8 contract renewals, up from the House's \$20.107 billion. The Senate would restore Family Unification funding with a \$290 million appropriation, the same as current funding. The administration and House opted to eliminate funding.

Section 8 administrative fees, a sore point among thousands of public housing authorities witnessing dramatic increases in housing vouchers without a corresponding increase in aid to coordinate administration and monitoring of voucher holders, would see a \$157 million increase from the House proposal of \$1.8 billion. That is up \$40 million from current funding and \$250 million from the HUD request.

Both the House and Senate flatly reject the administration's proposal to shut down the Choice Neighborhoods Initiative, now funded at \$150 million. The House would hold funding at the current level while the Senate recommends a \$50 million cut.

While the administration asks for \$100 million to bolster the Rental Assistance Demonstration program, both the House and Senate decide to provide no funding. Instead, they expect RAD to stand on its own, with private investors buying up public housing and converting the units to a public-private venture financed through Section 8 contracts. Public housing authorities would assist the private developers with fix-up money from their capital funds.

Project-based rental assistance -- long-term contracts with private landlords to house Section 8 tenants -- would be funded at \$11.747 billion in both the House and Senate versions, \$560 million above the HUD request and \$232 million above current funding.

Community Development Block Grants would receive \$3.365 billion in both bills and the same as FY 2018 funding, a rebuff of the administration's effort to scrap the program.

Native American Housing Block Grants would receive \$655 million from the Senate and House, the same as current funding and up \$55 million from the HUD request.

Homeless assistance grants -- money allocated through the Continuum of Care network to help house the homeless -- would receive \$2.571 billion and \$2.612 billion from the House and Senate respectively, an increase from the current \$2.13 billion level and up from the \$2.383 billion HUD proposal.

Both proposals reject HUD's initiative to raise public housing rents. HUD wants to increase tenant rent from 30% of adjusted income to 35% of gross income and eliminate deductions for childcare and medical expenses. The department also wants to increase the minimum monthly rents for the poorest of families to \$150 and allow housing providers to impose work requirements.

The Senate bill would require the HUD secretary to begin a comprehensive review of existing public housing and rental assistance regulations to single out opportunities for streamlining administration. The secretary would be required to establish an advisory committee. The committee would include public housing authorities and independent experts who would submit their findings to House and Senate appropriations committees in 2019.

8/10/18 11:04 AM