



What is Washington D.C. doing to Bay Area affordable housing?

SPUR Lunchtime Forum
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Panelists

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Topics/Questions

Federal Housing Funding Outlook

1. How did we get into this mess & what is the Budget Control Act?
2. When will we have a 2018 housing budget & in what form?
3. Is it more likely that we will have cuts or increases and why?
4. What are the likely impacts on funding in the Bay Area?
5. What policy changes are Congress and/or HUD likely to make?

Tax Reform Outlook and Impacts

1. What is the impact of tax reform?
2. What is the outlook for improvements to the LIHTC?
3. What is happening with the Community Reinvestment Act and what is it's likely impact on California?

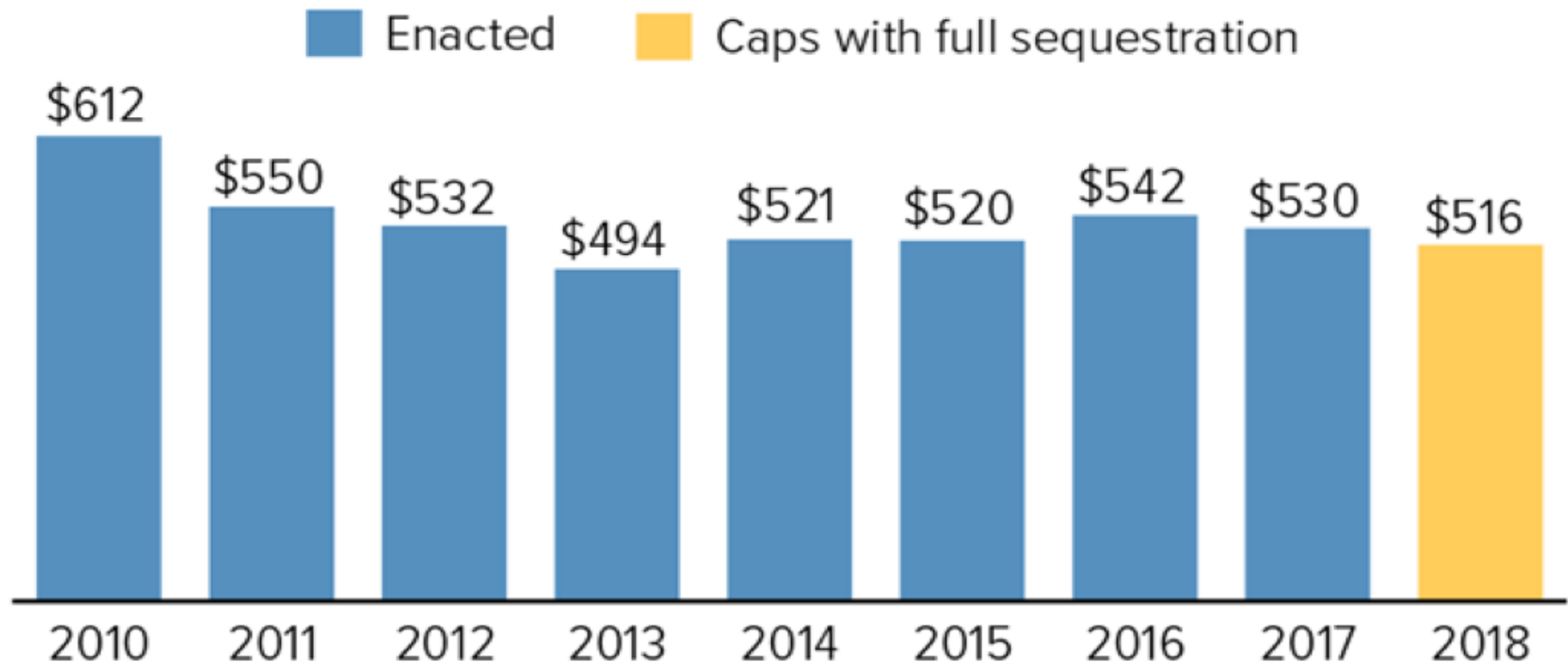
Advocacy Priorities: What should they be for the Bay Area?



Federal Housing Spending from 2010

Non-Defense Appropriations

In billions of 2018 dollars

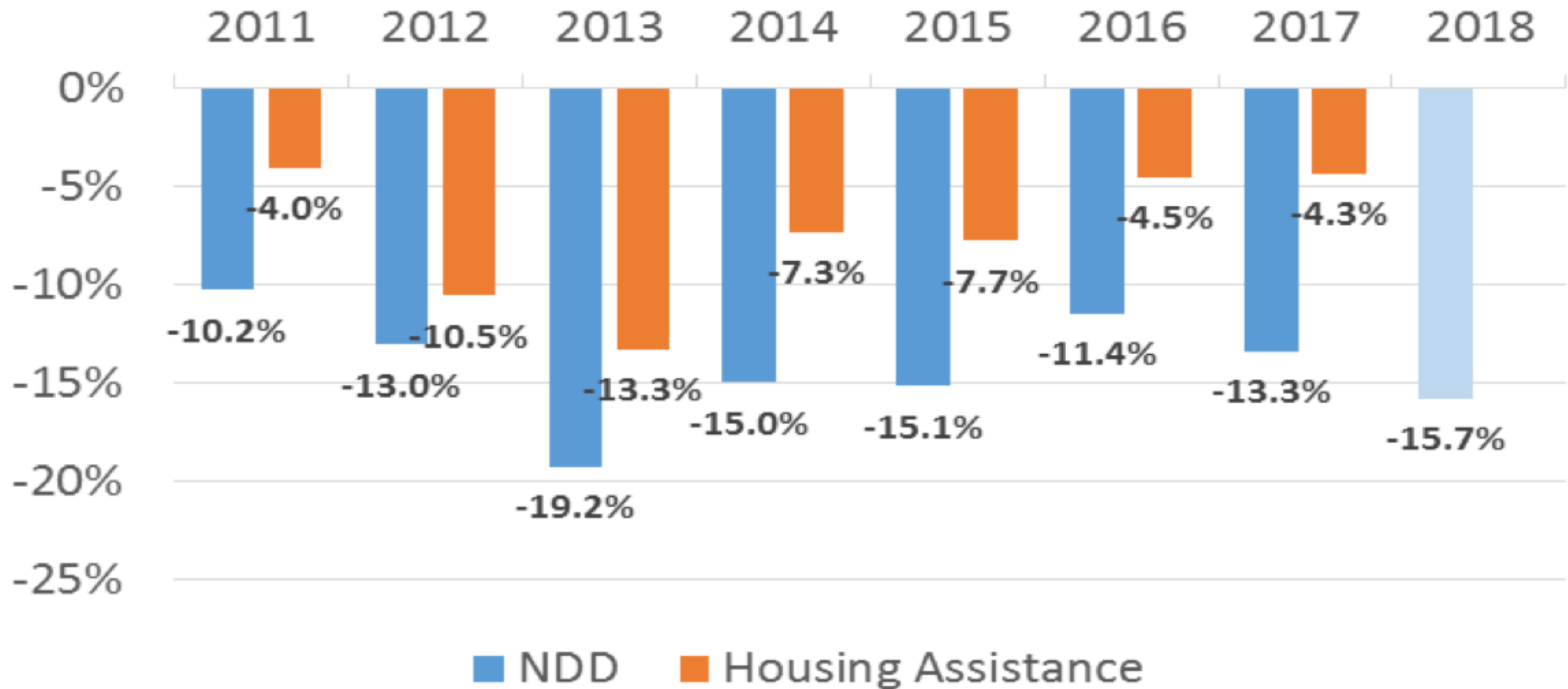


Notes: Reflects sequestration relief provided by the Bipartisan Budget Acts of 2013 and 2015. All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and the Office of Management and Budget

Congress has prioritized housing aid, but BCA caps still forced funding cuts

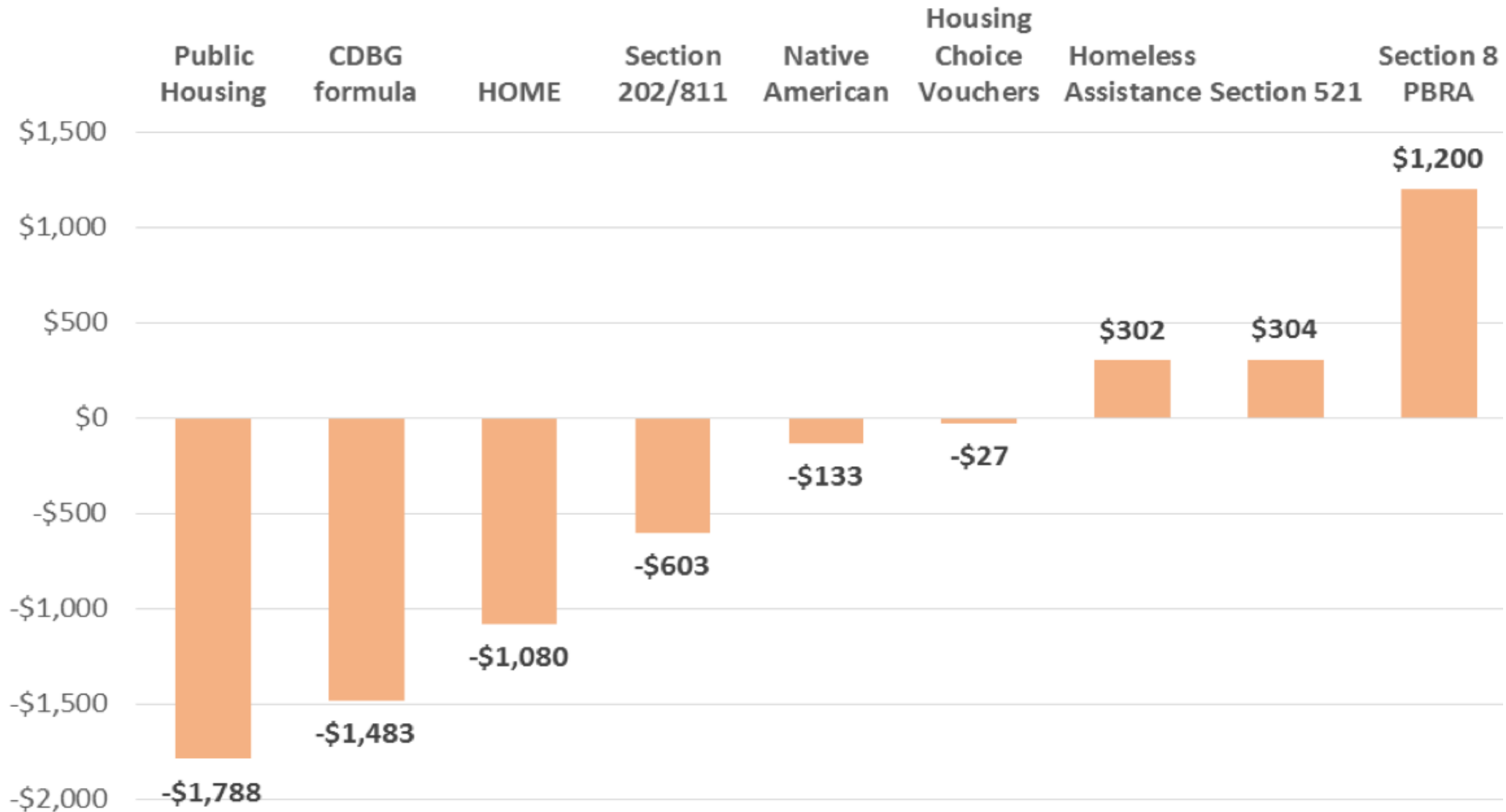
Funding relative to 2010, adjusted for inflation



Source: CBPP Analysis of HUD and USDA Funding of Rental Assistance Programs

Public housing, block grants cut most under BCA spending caps

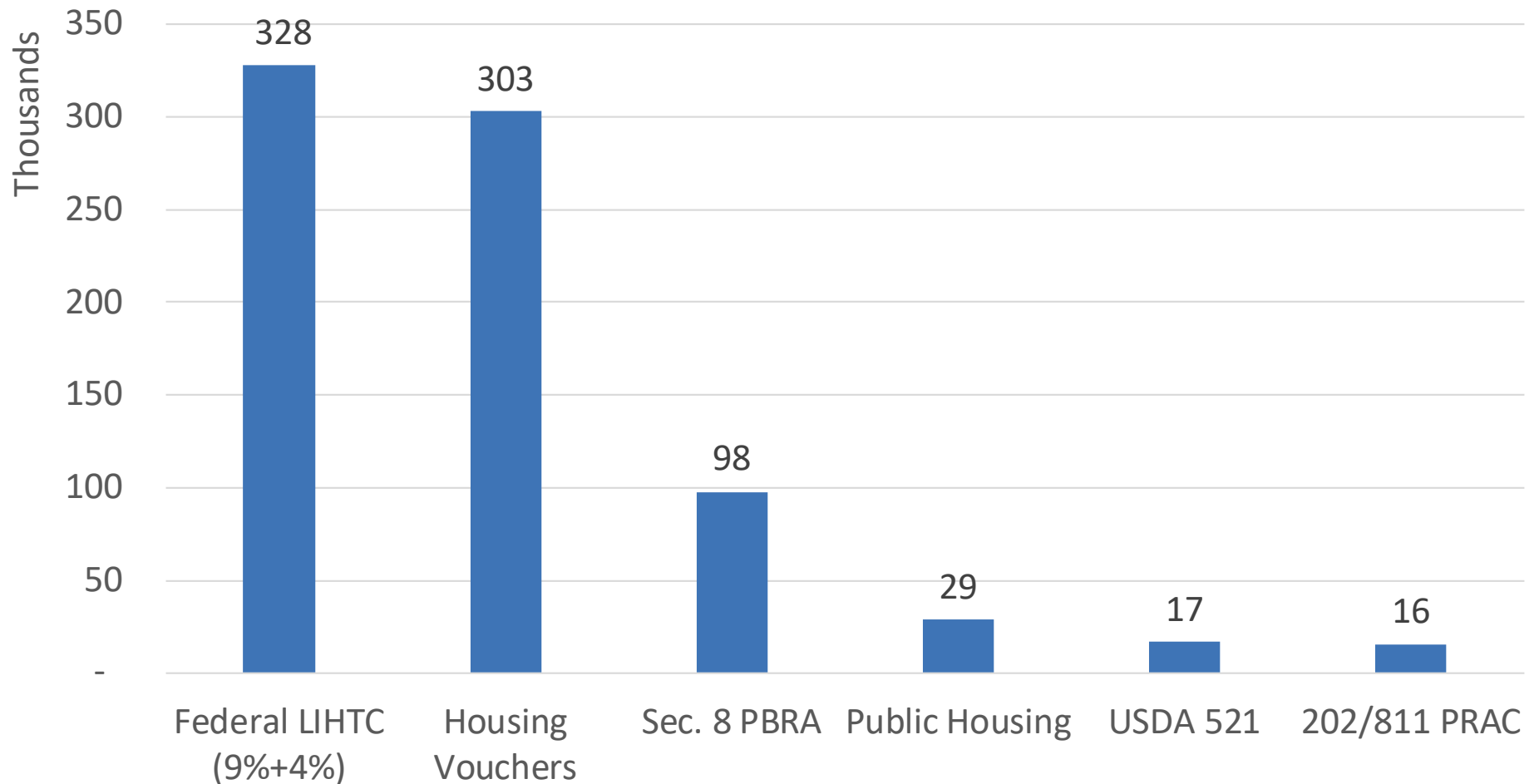
Change in funding, 2010 to 2017, in millions of 2017 dollars



Source: CBPP Analysis of HUD and USDA Funding of Rental Assistance Programs

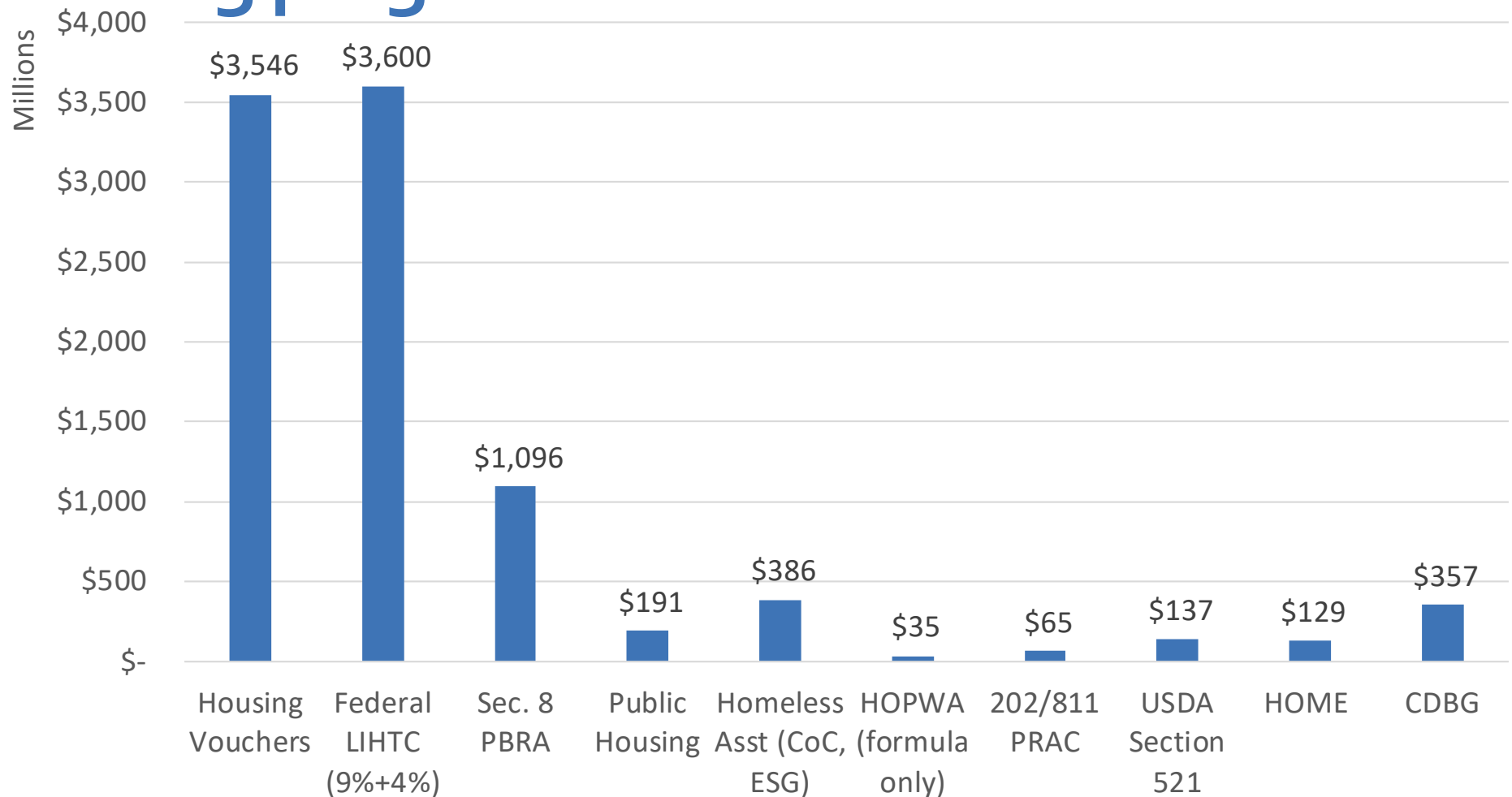
Federal Low Income Housing Tax Credits now assist more CA households than Vouchers

Number of assisted units in CA in 2016, in thousands



Compiled by CHPC and CBPP from HUD, OMB, USDA sources

In 2016, the Housing Credit program eclipsed the Voucher program as the largest federal housing program in California for first time



Compiled by CHPC and CBPP from HUD, OMB, USDA sources

Major HUD Program Funding (in millions)

	2017	Trump 2018	House 2018	Senate 2018
Housing Voucher Renewals	\$20,292	\$19,318	\$20,487	\$21,365
<i>Renewals</i>	\$18,355	\$17,584	\$18,710	\$19,370
<i>PHA Admin fees</i>	\$1,650	\$1,550	\$1,550	\$1,725
<i>New VASH, FUP, NED</i>	\$60		\$40	\$80
Section 8 Project-Based HAP Renewals	\$10,816	\$10,751	\$11,082	\$11,507
Public Housing	\$6,342	\$4,528	\$6,250	\$6,445
Homeless Assistance	\$2,383	\$2,250	\$2,383	\$2,456
Section 202 Housing for Elderly	\$502	\$510	\$573	\$573
Section 811 Housing for People with Disabilities	\$146	\$121	\$147	\$147
Housing Opportunities for People with HIV/AIDS	\$356	\$330	\$356	\$330
HOME Block Grants	\$950	\$0	\$850	\$950
Native American Housing Block Grants	\$654	\$600	\$654	\$655
Community Development Block Grants	\$3,000	\$0	\$2,900	\$3,000

Compiled by the Center on Budget & Policy Priorities from HUD & OMB sources

Potential Impact of Budgets on Section 8 Housing Voucher Program Nationwide

- Trump 2018 (\$19,318 MM) 235,000 fewer vouchers
- House 2018 (\$20,487 MM) 110,000 fewer vouchers
- Senate 2018 (\$21,365 MM) 30,000 fewer vouchers
- Administrative fees for program administration @ 62% (Trump and House \$'s) and 72% (Senate \$'s) of program funding formula

Most Important HUD Budget Items to Bay Area

- Housing Choice Vouchers renewals funding needs
 - Rising rents and impact on funding
 - Increasing lengths of stay by voucher holders, i.e. reduced voucher turnover
 - Funding shortfalls and freezing voucher issuance and/or possible termination of existing voucher holder contracts
- Insufficient Section 8 Administrative Fees- program administration suffers
- Project based (Section 8 and 202/811) renewal funding
- Homeless program funding

What does the future hold for policies, new initiatives?

A Better Way Forward—Poverty, Opportunity and Upward Mobility

- “Require housing programs to align with TANF benefits.”
 - Institute work requirements
 - Provide educational training
 - Establish participation time limits
 - HUD’s EnVision Center Demonstration
- “Increase local control and flexibility, with accountability”, i.e. block grants
- “Reduce duplication and overlap across programs”
- “Measure the results”

Administration's Immigration Policies and Actions

- Deportations, Removals & New Enforcement Priorities
 - Significant expansion of category “priorities for removal” and use of “expedited removal”
 - Convicted or charged with any crime, resolved or not
 - Committed acts that constitute a chargeable offense, e.g. being in the country illegally
 - Engaged in fraud or willful misrepresentation before a government agency, e.g. used fake Social Security numbers to work
 - “Abused” receipt public benefits
 - Judged by an immigration officer to “pose a risk to public safety and national security”
- HUD reportedly reviewing status of undocumented immigrants living in publicly subsidized housing

Impact of Tax Reform on Low Income Housing Tax Credits & Outlook for New Low-Income Housing Development

- **Impact of Tax Reform:** 15% reduction in market value of the Housing Credits due to loss of value of deductions resulting from lower corporate rate
 - Congress failed to enact counter-balancing adjustments
 - Cost to CA is about \$540 million per year unless changes
 - Vouchers needed to serve lowest income HH
 - Congress could try to eliminate Tax Exempt Bonds again
- **Changes to Community Reinvestment Act (CRA)** could further lower the value of Housing Credits

Appropriations Timeline and Thoughts

- Congress adopts yet another Continuing Resolution
- Congress has to complete 2018 appropriations deal (omnibus spending bill) by February 8th or will have to pass another short-term or long-term CR
- Another shutdown likely (too much to negotiate)
- Unlike Tax Reform, Ds & Rs who support housing and other NDD programs have leverage because of Senate filibuster rules and Republican divisions

What Do We Ask Congress to Do?

- 1. Raise spending caps** on Domestic Discretionary Programs; fully fund voucher & S8 renewals.
- 2. Don't impose new requirements.**
- 3. Support Cantwell-Hatch LIHTC Bill (S.548):**
 - a) Increase 9% LIHTC allocation to states by 50%
 - b) Allow income mixing up to 80% AMI
 - c) Fix value of 4% credit, boosting value by 25%
 - d) Allow states to give 30% boost to 4% LIHTC deals avoiding need to raise national cap on SDDAs
- 4. Preserve Community Reinvestment Act**