



HUD No. 18-012  
(202) 708-0685

**FOR RELEASE**  
Monday  
February 12, 2018

## **TRUMP ADMINISTRATION PROPOSES 2019 HUD BUDGET**

*Spending plan will preserve or increase support for homeless, seniors, disabled, and healthy housing*

WASHINGTON - The Trump Administration today announced the proposed Fiscal Year 2019 Budget for the U.S. Department of Housing and Urban Development (HUD), a \$41.24 billion spending plan that continues or expands support for vulnerable populations including those experiencing homelessness, the elderly and persons living with disabilities. The President's 2019 Budget represents a commitment to fiscal restraint, with a modest one percent increase in discretionary funding over last year's request.

While the Budget seeks stable or increased funding for direct rental subsidies to the elderly and disabled, as well as to homeless assistance and lead hazard control, in other less targeted programs, the Administration is committed to the idea that state and local governments are best positioned to address specific needs in their communities. [Read HUD's proposed FY 2019 Budget.](#)

"The budget lays out a vision for a government that is efficient, effective, and accountable. It provides for a strong national defense, lays the groundwork for further economic growth and opportunity through reduced regulatory burdens and taxes, and recognizes the importance of aggressively addressing our nation's fiscal challenges," said HUD Secretary Ben Carson. "I am confident HUD will deliver on its core programs, assist our most vulnerable populations, and make significant enhancements to our programs where needed."

### **ENDING HOMELESSNESS**

The 2019 Budget continues the Federal goal to prevent and end homelessness by seeking a record \$2.4 billion to support thousands of local housing and service programs assisting those living in the nation's sheltering system and on the streets. This represents a \$133 million increase over the Administration's 2018 budget request.

### **ENHANCE RENT ASSISTANCE**

The Budget continues support for 4.7 million HUD-assisted households while seeking \$601 million for the *Housing for the Elderly (Section 202)* and \$140 million for the *Housing for Persons with Disabilities (Section 811)* programs. These requested amounts represent an increase of \$91 million and \$19 million respectively over the President's 2018 budget request.

Over the past year, HUD has examined its main rental assistance programs (Housing Choice Vouchers, Project-Based Rental Assistance, Public Housing, and Housing for the Elderly and Persons with Disabilities) with the goals of simplifying the programs to provide improved resident outcomes, and in turn decreasing the burden to the public through and maximizing its investment. These strategic goals are comprised of two initiatives that HUD will pursue through a combination of legislative proposals and administrative actions that will enhance HUD's rental assistance programs and chart a new course for the future of public housing.

- Enhance Rental Assistance -The current rental assistance programs structure creates disincentives to employment and stable family formation, imposes large administrative burdens, generates significant costs to the Federal government, and represents a one-size-fits-all approach that does not take into consideration local community needs. The Administration will be sending forward a legislative proposal to Congress that will seek to encourage work and self-sufficiency, simplify program administration; increase local control and choice; and reduce costs to taxpayers.
- Future of Public Housing - Public Housing has an estimated \$26 billion capital needs backlog, and affordable units are lost each year due to severe disrepair. The cumbersome regulatory structure of the Public Housing program limits local Public Housing Agencies' (PHAs) ability to adequately address their significant needs. The budget proposes to merge the *Public Housing Capital Fund into the Public Housing Operating Fund* with reduced overall funding. This new combined Operating Fund will be given extra flexibilities to pay for capital improvement needs. This better supports local needs by allowing increased flexibility for each PHA to make decisions that best serve their residents. Longer term, HUD will work with local PHAs to shift public housing units to a more sustainable model and to allow State and local governments to take a more active role to support these functions. One of these more sustainable models is HUD *Rental Assistance Demonstration (RAD)*. Given the scarcity of federal funds and the substantial capital needs of the nation's aging public housing stock, the Administration proposes removing the statutory limit on the number of public housing units that can participate in RAD. Currently, only 225,000 units of public housing can take advantage of this affordable housing preservation program.

## **SUPPORTING HOMEOWNERSHIP AND FAIR HOUSING**

The 2019 Budget continues to support homeownership through the FHA mortgage insurance programs, providing up to \$400 billion in new loan guarantee authority that and includes critical funding to support targeted improvements to FHA's aging information technology systems, some of which are based upon the outdated COBOL programming language.

In addition, the Budget seeks \$550 billion in new guarantee authority for Ginnie Mae, a part of HUD. Ginnie Mae makes affordable housing a reality for millions of low- and moderate-income households across America by channeling global capital into the nation's housing markets. Specifically, Ginnie Mae provides significant liquidity, allowing lenders to obtain a better price for their mortgage loans in the secondary mortgage market. The lenders can then use the proceeds to fund new mortgage loans.

The Administration is also seeking \$62 million to support HUD's fair housing mission.

## **ELIMINATING/REDUCING INEFFECTIVE PROGRAMS**

The Administration continues to seek the elimination of the *Community Development Block Grant (CDBG) Program*, shifting the activities the block grant program supports to the State and local level. Since 1980, and most recently in 2013, HUD studies found that CDBG are not well targeted to the poorest communities and has not demonstrated a measurable impact on communities. Similarly, the Administration proposes through the Budget the elimination of HUD's *Choice Neighborhoods Initiative*, *HOME Investment Partnerships Program*, and the *Self-Help Homeownership Opportunity Program (SHOP)*, because State and local governments can better meet their communities' needs.

## **PROMOTING HEALTHY HOMES**

To protect families and their young children from potentially dangerous lead-based paint and other hazards, the Budget requests \$145 million to promote healthy and lead-safe housing, \$15 million over last year's requested amount.

## **ENVISION CENTERS**

The budget includes \$2 million to support HUD's new *EnVision Center Demonstration*. Located on or near public housing developments, EnVision Centers will be centralized hubs that serve as an incubator to empowering people to graduate from HUD-assisted housing, becoming self-sufficient and responsible homeowners and renters in the private market. By helping move people to self-sufficiency, HUD will be able to help Americans who are underserved.

**###**