



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Highlights:

- The Department of Housing and Urban Development (HUD) promotes decent, safe, and affordable housing for Americans and provides access to homeownership opportunities.
- The Budget reflects the President's commitment to fiscal responsibility by reforming programs to encourage the dignity of work and self-sufficiency while supporting critical functions that provide assistance to vulnerable households. The Budget recognizes a greater role for State and local governments and the private sector to address community and economic development needs and affordable housing production.
- The Budget requests \$39.2 billion in gross discretionary funding for HUD, an \$8.8 billion or 18.3-percent decrease from the 2017 enacted level.

### The President's 2019 Budget:

HUD promotes affordable housing for low-income families and supports access to homeownership. A secure, healthy housing situation is a foundation on which families can establish economic security, improve their quality of life, and form strong communities. In a fiscally constrained environment, the Budget strategically invests \$39.2 billion in programs to support HUD's core functions, and ensures HUD programs remain a vital resource to the most vulnerable households and first-time homeowners. The Budget provides \$33.8 billion for HUD's rental assistance programs and requests legislative reforms to place these programs on a more fiscally sound path while encouraging work and self-sufficiency for tenants. The Budget also continues to support efforts across the United States to reduce homelessness and remove lead and other hazards from over 9,500 homes. For first-time and low- to moderate-income homebuyers, HUD's Federal Housing Administration (FHA) remains a critical source of mortgage financing.

The Budget also eliminates programs that are duplicative or have failed to demonstrate effectiveness, such as the Community Development Block Grant (CDBG) program, and devolves responsibility for community and economic development to State and local governments that are better equipped to respond to local conditions.

**Reforms Rental Assistance.** The Budget requests \$33.8 billion across HUD's rental assistance programs, a decrease of 11.2 percent relative to the 2017 enacted level. To address the increasing and unsustainable Federal costs of rental assistance, the Budget requests legislative reforms that

would produce significant cost savings. In addition to these reforms, the Budget proposes program-specific savings in the Housing Voucher and Public Housing programs. The Budget does not request funding for the Public Housing Capital Fund, as the provision of affordable housing should be a responsibility more fully shared with State and local governments. These funding levels, while significantly reduced from the 2017 enacted level, should support currently assisted households while strategically decreasing the Federal footprint of HUD's rental assistance programs over time.

**Encourages Work Among HUD-Assisted Households.** The Budget proposes legislative reforms to encourage work and self-sufficiency across its core rental assistance programs, consistent with broader Administration goals. Currently, tenants generally pay 30 percent of their adjusted income toward rent. The Administration's reforms require able-bodied individuals to shoulder more of their housing costs and provide an incentive to increase their earnings, while mitigating rent increases for the elderly and people with disabilities. The Administration's legislative proposal would also reduce administrative and regulatory burdens and allow communities further flexibility to develop tenant rent requirements that are consistent with local needs and objectives.

**Leverages Private Capital for Housing Improvements.** The Budget provides investments and statutory authorities to facilitate a shift from the Public Housing funding platform to Housing Vouchers and Project-Based Rental Assistance (PBRA). The Voucher and PBRA programs benefit from greater private sector involvement and are able to leverage private financing to modernize their units, generally resulting in higher quality housing for assisted low-income families. To further this objective, the Budget requests \$100 million for the Rental Assistance Demonstration, which supports the redevelopment of Public Housing units through conversion to the Housing Voucher and PBRA funding platforms. Additional authorities in the Public Housing program, such as tenant protection vouchers and the strategic release of certain public housing assets, would also assist in this effort.

**Establishes EnVision Centers for a Holistic Approach to Self-Sufficiency.** On December 7, 2017, Secretary Ben Carson announced the launch of EnVision Centers to help HUD-assisted households achieve self-sufficiency and deliver on the President's commitment to a better future. Detroit, Michigan is home to the first of 10 sites that will be part of this demonstration. EnVision Centers will provide communities with a centralized hub for HUD's four pillars of self-sufficiency: 1) Economic Empowerment; 2) Educational Advancement; 3) Health and Wellness; and 4) Character and Leadership. Through partnerships with non-profits, corporations, and State and local governments, these EnVision Centers would leverage private and public resources for maximum community impact. The Budget requests funding to evaluate these EnVision Centers, and adjust the program design and improve implementation if needed to achieve better outcomes for individuals and communities.

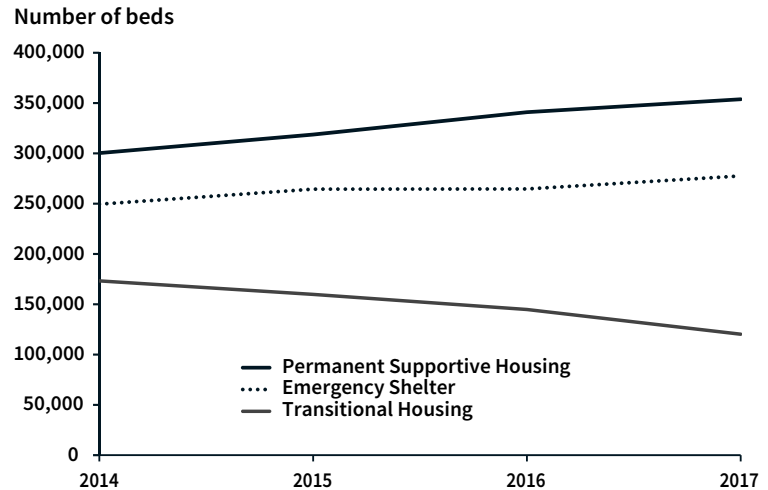
*"We need to think differently about how we can empower Americans to climb the ladder of success. EnVision Centers are designed to help people take the first few steps towards self-sufficiency."*

Ben Carson  
Secretary  
December 7, 2017

**Promotes Economic Mobility and Improves Quality of Life.** The Budget requests \$75 million for the Family Self-Sufficiency program and \$10 million for the Jobs-Plus Initiative. By connecting HUD-assisted households to social services and employment resources, these programs help tenants maximize their earning potential and improve their financial situations and quality of life. Rigorous evaluations have shown that the Jobs-Plus program produces lasting increases in the wage earnings of tenants.

**Continues Supporting Communities in their Efforts to Reduce Homelessness.** The Budget requests \$2.4 billion for the Homeless Assistance Grants (HAG) program, equal to the 2017 enacted level. HAG primarily funds the Continuum of Care program, which is designed to be a coordinated community-based network of programs to prevent and address local homelessness. HUD uses its annual grant competition to encourage grantees to allocate funds to evidence-based and cost-effective strategies. These policies have encouraged communities to increasingly support evidence-based interventions such as permanent supportive housing rather than models such as transitional housing that have been proven less effective. The Budget also requests \$255 million for Emergency Solutions Grants, which would enable municipalities to support emergency shelter, rapid re-housing, and homelessness prevention.

**Beds Available for Homeless and Formerly Homeless People**



Source: HUD's 2017 Annual Homeless Assessment Report to the Congress, December 2017.

**Reduces Lead Exposure for Low-Income Children.** Lead paint in housing presents a significant threat to the health, safety, and future productivity of America's next generation. The Budget continues to make progress to promote healthy and lead-safe homes by requesting \$145 million, equal to the 2017 enacted level, for the mitigation of lead-based paint and other hazards in low-income homes, especially those in which children reside. This funding level also includes resources for enforcement, education, and research activities to further support this goal. Research suggests that this program generates high returns on investment due to higher wages and reduced medical costs.

**Supports Sustainable Homeownership Opportunities and Upgrades FHA Operations.** The Budget preserves access to sustainable homeownership opportunities for creditworthy borrowers through FHA and Ginnie Mae credit guarantees. FHA provides a crucial source of mortgage financing for first-time homebuyers, who accounted for over 80 percent of FHA-insured home purchase loans in 2017. FHA's activities enable these new homeowners to build wealth and establish economic security. The Budget requests an additional \$20 million above the 2017 enacted level of \$130 million for FHA to upgrade its operations by investing in information technology and contract support. This additional funding is fully offset by a modest new fee on FHA lenders, better aligning the responsibilities for the costs and benefits of this program.

**Eliminates Major Block Grants.** Similar to the 2018 Budget, the Administration continues to propose eliminating funding for programs that lack measureable outcomes and are ineffective. The Budget eliminates HUD's community and economic development as well as affordable housing production programs. The Budget eliminates CDBG, a program that has expended more than \$150 billion since its inception in 1974, but has not demonstrated sufficient impact. Studies have shown that the allocation formula, which has not been updated since 1978, is ineffective at targeting funds to the areas of greatest need, and many aspects of the program have become outdated. The Budget also eliminates the HOME Investment Partnerships Program, which has not been authorized since 1994. The Budget devolves responsibility to State and local governments, which are better positioned to assess local community needs and address unique market challenges.