

FEDERAL HOUSING-RELATED LEGISLATION AND REGULATION

HOUSING: WHITE HOUSE BUDGET REQUEST

In its Fiscal Year (FY) 2020 Budget Request earlier this year, the Trump Administration proposed a seven percent increase for the U.S. Department of Housing and Urban Development (HUD) compared with its FY 2019 Budget Request.¹ However, the funding level requested represents an 18 percent cut from the actual FY 2019 level enacted by Congress and includes a range of proposed policies that are important to note. For example, the FY 2020 White House Budget:

- Incorporates reforms that would apply work requirements and increase tenant rent contributions for non-elderly, non-disabled tenants;
- Funds homelessness initiatives at nearly \$2.6 billion, which is a nine percent increase from the 2019 request (though a slight decrease from 2019 enacted levels);
- Increases funding for the Office of Lead Hazard Control and Healthy Homes; and
- Eliminates the Community Development Block Grant program in favor of state and local efforts.

While the President’s annual Budget Request is essentially dead on arrival and is not expected to be adopted by Congress, it is a reflection of the Administration’s priorities and the policies included in it are useful markers of where the Administration may focus its administrative authority utilizing regulatory and other changes.

HOUSING: REGULATORY ACTIVITY

Using its administrative authority – absent an act of Congress – the Trump Administration is pursuing several approaches that affect access to housing:

Initiative	Details	Next Steps
Executive Order on Deregulation and Housing²	June 25 Executive Order cites regulatory barriers such as restrictive zoning, rent controls, building codes, and energy and water efficiency standards as impeding the development of affordable housing.	Council to solicit stakeholder feedback and make recommendations. HUD Secretary Ben Carson to serve as chair.

¹ <https://www.hud.gov/sites/dfiles/CFO/documents/HUD2020BudgetinBrief03072019Final.pdf>

² <https://www.whitehouse.gov/presidential-actions/executive-order-establishing-white-house-council-eliminating-regulatory-barriers-affordable-housing/>

Proposed Rule Barring Mixed-Status Households from Receiving Federal Housing Assistance	Proposes elimination of all housing assistance for mixed-status households (i.e., households in which at least one member is eligible though others are undocumented or have unverified paperwork). These households received pro-rated assistance today, though 25,000 households consisting of 108,000 people would lose such assistance under the proposal.	Final rule expected later this year.
Proposed Rule on Public Charge Inadmissibility	Proposes expanding the definition of a “public charge,” which refers to whether someone is likely to become reliant on public benefits and factors into certain immigration determinations. Would newly consider non-cash assistance, including housing, health, and nutrition benefits in such assessments, which may discourage enrollment among immigrants.	Final rule expected to be released by September. DOJ separately expected to issue proposed rule on deportability of immigrants on public charge grounds.
Upcoming Proposed Rule on Shelter Access	Rule expected to allow HUD-funded shelters or shelter facilities to consider sex (e.g., on government IDs) as a basis for admission and accommodation. Concerns have arisen that the proposed rule could lead to transgender individuals being rejected or discouraged from accessing federally funded shelters.	Proposed rule expected by September 2019. Public comment period will begin after release.

HOUSING: LEGISLATIVE ACTIVITY

I. FY 2020 APPROPRIATIONS

On June 25, the House passed H.R. 3055, a five-bill appropriations package, including funding for HUD.³ This marks only a first step in the annual appropriations process, as any final appropriations measure will need to be merged with the Senate process, which has yet to begin. It is also likely that a broad year-end spending deal will be struck, creating even more uncertainty about eventual spending levels for HUD and other agencies.

For now, the House-passed package provides \$50.1 billion for HUD (\$5.9 billion above the 2019 enacted level and \$13.4 billion above the President’s budget request). In addition, the bill includes a provision that blocks HUD from implementing its proposed rule to prohibit families with mixed citizenship status from receiving federal housing assistance. Other highlights include:

Program	House Approved Funding Level	Description
Office of Public and Indian Housing	\$32.7 billion (\$1.7 billion above 2019 enacted level; \$6.9 billion above President’s budget request)	Oversees the administration of the Public Housing, Housing Choice Vouchers, and Native American programs
Tenant-Based Rental Assistance	\$23.8 billion (\$1.2 billion above 2019 enacted level; \$1.6 billion above President’s budget request)	Provides funding for the Housing Choice Voucher program (formerly Section 8)

³ https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/HR3055%20Summary_0.pdf

Public Housing Capital Fund	\$2.9 billion (\$80 million above 2019 enacted level; President’s budget request proposed eliminating this program)	Supports public housing development and modernization projects (e.g., replacing roofs and windows, upgrading electrical and plumbing systems)
Public Housing Operating Fund	\$2.9 billion (\$80 million above 2019 enacted level; \$1.9 billion above President’s budget request)	Supplements funding to public housing authorities for operating expenses (e.g., utility, maintenance, security costs)

II. KEY LEGISLATION

Multiple pieces of housing-related legislation are currently pending on both sides of Congress. These bills aim to increase access to affordable, safe homes.

Bill Title	Description	Status
Affordability		
Housing Choice Voucher Mobility Demonstration Act of 2019⁴	Provides incentivizes to public housing agencies to assist families receiving vouchers to move to lower-poverty areas.	Incorporated into enacted FY 2019 funding bill
Safe Affordable Housing Act⁵	Prevents developers from withdrawing from contracts under the Low Income Housing Tax Credit (LIHTC) 15 years early and converting affordable units into market-rate units. Requires existing LIHTC properties to be sold at a fair-market price.	Bipartisan, bicameral
Rent Relief Act of 2019⁶	Creates a refundable tax credit for individuals who pay more than 30 percent of their gross income on rent and utilities.	Democratic, bicameral
Housing Conditions		
Safe Housing for Families Act⁷	Requires carbon monoxide detectors in supportive housing for the elderly and for persons with disabilities as well as public and section 8 housing.	Democratic, bicameral
Lead-Safe Housing for Kids Act of 2019⁸	Sets safeguards to protect children living in federally assisted housing from lead poisoning by: (1) requiring more stringent risk assessments to identify lead-based paint hazards; (2) requiring landlords to disclose presence of lead; and (3) providing a process for families, living in housing where lead hazards are identified, to relocate without being waitlisted, penalized, or losing rental assistance.	Bipartisan

⁴ <https://www.congress.gov/bill/116th-congress/house-joint-resolution/31/>

⁵ <https://www.finance.senate.gov/imo/media/doc/Save%20Affordable%20Housing%20Act%20of%202019.pdf>

⁶ <https://www.congress.gov/bill/116th-congress/senate-bill/1106/>; <https://www.congress.gov/bill/116th-congress/house-bill/2169>

⁷ <https://www.congress.gov/bill/116th-congress/senate-bill/755/>; <https://www.congress.gov/bill/116th-congress/house-bill/1690>

⁸ <https://www.congress.gov/bill/116th-congress/senate-bill/1583/>