



NHC Member Brief



Weekly update from the National Housing Conference

In this issue

Feb. 17, 2020 | Issue 89-6

- Trump budget request calls for decreased funding for HUD, USDA
- Democrats continue to debate housing policy
- House passes Puerto Rico aid package
- Fed Chairman testifies before House, Senate committees
- HUD opens annual healthy homes competition
- **Chart of the Week:** Household debt reaches record level

NHC Policy Director Tristan Bréaux: Why We Can't Wait

In 1964, four years before the signing of the Fair Housing Act, Dr. Martin Luther King Jr. wrote the book entitled, "Why We Can't Wait." In the book, he highlighted the need to address the issues that impacted the black community. "We are caught in an inescapable network of mutuality, tied in a single garment of destiny," he wrote. "Whatever affects one directly, affects all indirectly." These words are a guide to our work and advocacy at NHC, as we continue to elevate the conversation around the decline in black homeownership to focusing on solutions that are tangible, actionable and impactful.

The generational wealth of the black community that started during the Civil Rights Era has seen [a dramatic decline](#) within the last decade. White millennials with the same level of education, same level of income and same career path [continue to outnumber](#) their black counterparts in building generational wealth. This can be attributed to [a wide range of issues](#), including access to mortgages, homeownership education and family financial support. The millennial generation also [tends to delay household formation](#) longer than previous generations, shortening the time window that many Black millennials have to build wealth.

[Continue here](#)

News from Washington | By Tristan Bréaux and Quinn Mulholland

Trump budget calling for decreased funding for HUD, USDA is DOA

President Trump released [his budget request](#) for FY 2021 on Monday, calling for an overall decrease of 15 percent and 8 percent for discretionary spending levels at HUD and USDA, respectively. "The President's budget proposal provides HUD with the resources to serve America's most vulnerable populations in an efficient and compassionate manner," HUD Secretary Ben Carson [said in a statement](#) on the \$47.9 billion allocated to HUD in the budget. However, the request was met with fierce criticism from congressional Democrats, including [House Appropriations Chairwoman Nita Lowey \(D-N.Y.\)](#) and [Senate Finance Committee Ranking Member Ron Wyden \(D-Ore.\)](#) and is considered dead on arrival (DOA). Cuts to housing-related programs in Trump's budget [include](#) suspending the GSEs' funding of the Housing Trust Fund and Capital Magnet Fund, eliminating the Community Development Block Grant program, and ending funding for the CDFI Fund discretionary grant and direct loan programs. The budget [also calls for](#) \$2.8 billion for homelessness assistance grants, roughly the same as current levels, amidst a White House push to crack down on homelessness in California. Adding to the chorus of Democratic opposition to the proposal, Senate Majority Leader Mitch McConnell (R-Ky.) acknowledged that the President's budget cannot be passed and made clear he won't bring it to the floor. "We've got the caps deal in place. We negotiated it last year. It's good for the second year and we'll comply with that," he [said](#).

Democrats continue to debate housing policy

At the most recent Democratic presidential debate on Feb. 7, several candidates [discussed](#) affordable housing and racial disparities in housing. Senator Elizabeth Warren said, “it was the policy of the United States of America to discriminate against African American and any other people of color from buying homes until 1965. You can’t just repeal that and say ok, now everything is even.” Jose Biden added, “If you own a house in an all-black neighborhood, same exact house in an all-white neighborhood...the house in the all-black neighborhood would be valued less, making it more difficult for you to accumulate wealth.” Additionally, Mike Bloomberg, who did not participate in the debate, became the latest candidate to unveil [a comprehensive housing platform](#) on Jan. 30, calling for fully funding vouchers for all who qualify, doubling federal spending on homelessness, and “significantly” increasing funding for the Low Income Housing Tax Credit, among other things. Bloomberg, however, has come under fire recently for [comments that he made](#) while mayor of New York City in 2008, in which he said that redlining was responsible for the financial crisis. Julián Castro, the former HUD Secretary and a former Democratic presidential candidate, [criticized](#) Bloomberg’s comments on Twitter, saying “I hope you know how wrong you were.”

Fed Chairman testifies before House, Senate committees

Jerome Powell, the Chairman of the Board of Governors of the Federal Reserve System, testified before the [House Financial Services Committee](#) and [Senate Banking Committee](#) on Tuesday and Wednesday, respectively. At the Financial Services hearing, lawmakers including Chairwoman Maxine Waters (D-Calif.) pressed Powell on the Office of the Comptroller of the Currency’s (OCC) efforts to modernize the Community Reinvestment Act (CRA), with Powell [saying](#) that he is “very comfortable with the thinking” of Fed Gov. Lael Brainard, who criticized the OCC’s approach. Powell also said, in response to questioning from Ranking Member Patrick McHenry (R-N.C.) that the Fed is “committed to having the banks ready by the end of next year” for a transition to the London interbank offered rate (LIBOR). Chairwoman Waters also recently [sent a letter](#) along with Representative Lacy Clay (D-Mo.) to Comptroller General Gene Dodaro requesting a comprehensive study on the implementation of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. In the letter, Waters and Clay expressed concern about the dilution of the intent of Title XI through exemptions from the requirement to obtain an appraisal.

House passes Puerto Rico aid package

The House of Representatives [recently passed](#) emergency supplemental appropriations legislation to provide \$4.9 billion in disaster aid for Puerto Rico in the wake of a series of devastating earthquakes. Prior to its passage, the White House [issued a formal threat](#) to veto the bill, arguing that the bill was rushed, making its odds of becoming law slim. The Disaster Housing Recovery Coalition, which NHC is a part of, [sent a letter](#) to House leaders requesting measures to roll back restrictions placed on the \$16 billion in disaster relief funds for Puerto Rico HUD announced in January, but those measures were not included in the bill the House passed. Senator Warren also [recently called for](#) an investigation into whether the Trump administration violated the law by delaying that previous tranche of disaster aid to Puerto Rico.

HUD opens annual healthy homes competition

On Wednesday, HUD [announced](#) the opening of this year’s HUD Secretary Awards for Healthy Homes, an annual competition to promote healthy homes. The awards are presented to projects that exemplify excellence in affordable housing design, community planning, cooperative public and private efforts, healthy housing innovation, and historic preservation. The awards will be presented to winners at the National Environmental Health Association’s [Annual Educational Conference and Exhibition](#) in New York City on July 15. Nominations are due by March 10, and more detailed information on eligibility and evaluation can be found [here](#). Shelterforce also recently highlighted the overlap between housing and health in [an article](#) on home repairs.

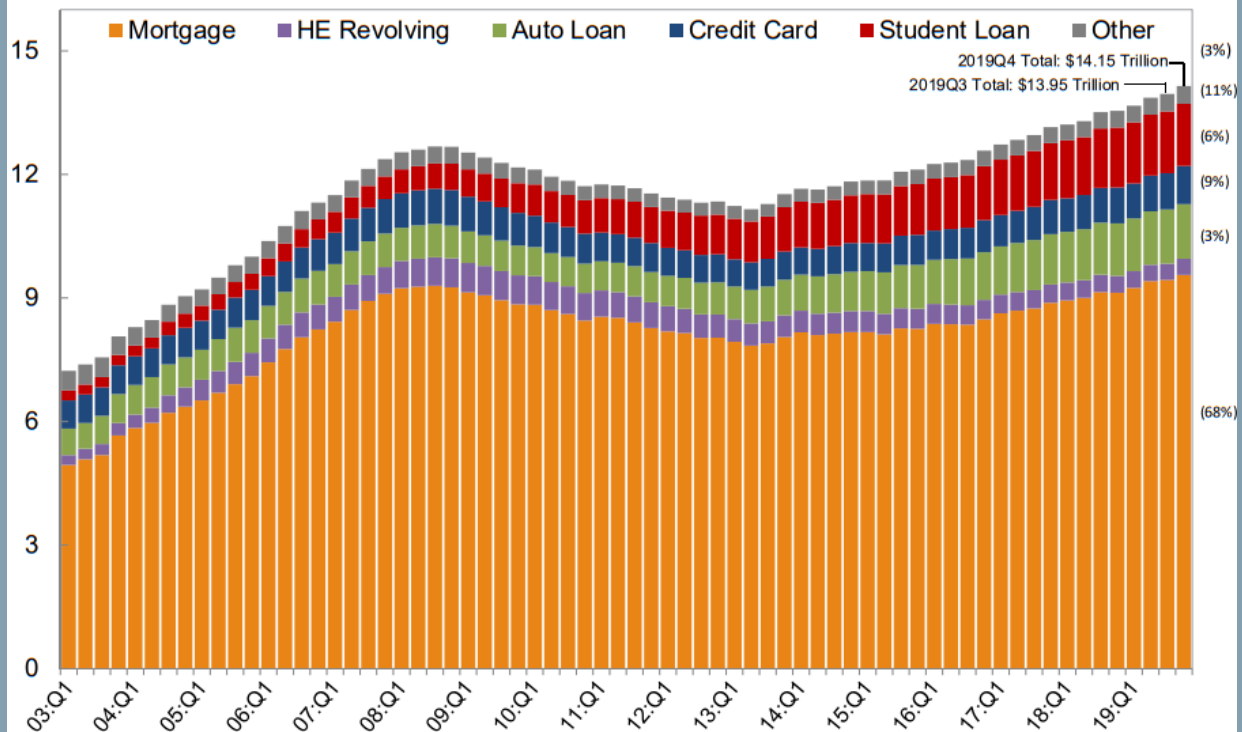
Chart of the Week

Household debt reaches record level

The Federal Reserve Bank of New York's Center for Microeconomic Data today issued its [Quarterly Report on Household Debt and Credit](#) on Tuesday, which shows that total household debt increased by \$193 billion in the fourth quarter of 2019. This increase, according to the report, was driven by an increase in mortgage originations to their highest volume since the fourth quarter of 2005.

Total Debt Balance and its Composition

Trillions of Dollars



What we're reading

Center on Budget and Policy Priorities senior fellow Jared Bernstein and Moody's Analytics Chief Economic Mark Zandi co-wrote an op-ed for the **Washington Post** on Wednesday in support of the Fulfilling the Promise of the Housing Trust Fund Act. "Lawmakers have an opportunity to begin at least partially addressing the crisis at no new cost to taxpayers," they write in the piece. [Read the op-ed here.](#)

Curbed examined the issue of climate gentrification in Miami in an article published on Monday. According to the article, as sea levels rise, property values rise in higher-elevation neighborhoods, many of which are predominantly low income, potentially leading to displacement. [Read the article here.](#)

LAist recently published a longform investigation into the southern California rental housing empire of Mike Nijar. The investigation found squalid conditions in many of the units rented by Nijar's companies, which are mostly occupied by low-income people. [Read the full investigation here.](#)

Zillow is unveiling a new feature allowing case managers to find affordable housing options in Seattle for clients experiencing homelessness, according to a recent article published by the **Seattle Post-Intelligencer**. This tool will highlight vacant rentals listed by landlords that lower screening barriers for people experiencing homelessness. [Read the article here.](#)

The week ahead

Tuesday, February 18

- [LISC webinar on Spark Opportunity Grant Program](#) 2-3 p.m. ET
- [NLIHC webinar on President Trump's FY2021 budget request](#) 3:30-4:30 p.m. ET

Wednesday, February 19

- [National Alliance to End Homelessness 2020 Solutions for Individual Homeless Adults](#) Feb. 19-21
- [Enterprise Community Partners webinar on the 2020 Affordable Housing Design Leadership Institute](#), 2-3 p.m. ET
- [Enterprise Community Partners webinar on the Opportunity360 Community Dashboard](#), 3-4 p.m. ET

Thursday, February 20

- [NLIHC webinar on housing and the 2020 election](#), 3-4:15 p.m. ET

Friday, February 21

- [Harvard Joint Center on Housing Studies event on the 2020 America's Rental Housing report](#), 12:12-1:15 p.m. ET

Saturday, February 22

- [Smithsonian Anacostia Community Museum's A Right to The City Author Talk Series: Stephen Danley](#), 2-4 p.m. ET

Note: The National Council of State Housing Agencies is seeking to fill the position of Legislative and Policy Associate focusing on appropriations and HUD programs, including the HOME Investment Partnerships program, the Housing Trust Fund, rental assistance, and housing for persons with special needs. Please reach out to Jennifer Schwartz at jschwartz@ncsha.org with any questions.

STAY CONNECTED



www.nhc.org

The National Housing Conference has been defending the American Home since 1931. We believe everyone in America should have equal opportunity to live in a quality, affordable home in a thriving community. NHC convenes and collaborates with our diverse membership and the broader housing and community development sectors to advance our policy, research and communications initiatives to effect positive change at the federal, state and local levels. Politically diverse and nonpartisan, NHC is a 501(c)3 nonprofit organization.

[Join/Renew Today!](#)

Defending our American Home since 1931

Copyright © 2020. All Rights Reserved.