

May 2017

Trump Administration housing policies— the first 100 days

BOARD OF DIRECTORS
THOMAS A. LOFTUS, ESQ., CHAIRMAN
COL. JOHN M. RECTOR (USA, RET.),
VICE-CHAIRMAN
MICHAEL J. CLARK, ESQ., TREASURER

ADVISORY COMMITTEE
PROF. PHILIP M. CAUGHRAN
PROF. WILLIAM A. FISCHER
SCOTT LINDLAW, ESQ.
THOMAS B. RESTON, ESQ.

The first 100 days of the Trump Administration saw an abrupt change in the direction of federal housing policy.

- Dramatic funding reductions were proposed for numerous, major housing programs;
- The new leadership indicated it will put increased emphasis on public-private partnerships and on incentives for people who receive federal housing assistance to support themselves; and
- The Administration pressed for repeal of provisions of the Dodd-Frank Act that it says create unjustified barriers to the creation of mortgages and other financial transactions.

The Administration took no substantial steps directly to promote President Trump's stated intention to reduce regulatory barriers to housing development, however.

Dr. Carson becomes HUD Secretary

On March 2, Dr. Ben Carson was sworn in as Secretary of the U.S. Department of Housing and Urban Development (HUD). Carson, who had no previous governmental experience, did not announce any major, new housing initiatives during the Administration's first 100 days. He went on a listening tour, however, to several parts of the nation (Columbus (Ohio), Dallas, Detroit, and Miami), gathering information from HUD field staff, local leaders and residents of public housing developments.¹

Administration proposes cutting HUD budget more than 13% for FY 2018

On March 16, the Trump Administration announced its FY 2018 "Budget Blueprint," which proposed reducing HUD's budget by more than 13% (to \$40.7 billion).² That proposal would eliminate funding for the venerable Community Development Block Grant program, which received \$3 billion in funding for FY 2017, to support a wide range

¹ Associated Press, *Carson Eyes Private Sector as Tool to Offset Housing Cuts*, N.Y. Times, April 26, 2017.

² Jose A. DelReal, *Trump budget asks for \$6 billion in HUD cuts, drops development grants*, Wash. Post, March 16, 2017.

of urban development projects. The Administration proposal also would eliminate the HOME Investment Partnerships Program, the Choice Neighborhoods program and the Self-help Homeownership Opportunity Program, shaving an additional \$1.1 billion from HUD's budget.³

However, Carson has said that some elements of those programs might be shifted to other initiatives, rather than eliminated.⁴ He said he anticipates that the removal of redundancies, inefficiencies and waste will allow for the budget reductions to have "no material effect."⁵

As to able-bodied individuals receiving housing assistance, Carson said that "we do those people a great disservice when we simply maintain them." During his listening tour, he peppered public housing officials with questions about which agency or company was paying for maintenance, what comforts the facilities were providing for aid recipients, and what kind of job training the facilities provided.⁶

Carson plans to advance public-private partnerships, extending low-income housing tax credits and providing more opportunities for public-housing residents to get jobs at the buildings where they live. "The biggest tools are the partnerships — public, private, nonprofit and faith community partnerships — which allow us to leverage those federal dollars, anywhere from 2, 3, 4, 5 to 20-to-1."⁷

Dodd-Frank repeal sought

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, enacted in response to the national financial crisis of 2007–2008, tightened federal regulation of financial institutions in many ways. Congress is debating legislation that would amend or repeal numerous Dodd-Frank provisions.⁸

Proponents of repeal, including Trump Administration officials, argue that community banks and credit unions, in particular, are struggling to keep up with the regulatory burdens imposed by the law. They also argue that those provisions add undue costs to transactions, thus slowing economic growth. Opponents argue that loosening Dodd-

³ *Id.*

⁴ Yamiche Alcindor, *Housing Secretary, on a Tour, Says Compassion Is Not About Comfort*, N.Y. Times, May 4, 2017, A15 ("HUD programs targeted for elimination, including Community Development Block Grants, which help fund efforts like Meals on Wheels, may wind up with different names, but they will continue to function in some of the same ways, he said").

⁵ Associated Press, *Carson Eyes Private Sector as Tool to Offset Housing Cuts*, N.Y. Times, April 26, 2017.

⁶ Yamiche Alcindor, May 4, 2017, *supra*.

⁷ *Id.*

⁸ Associated Press, *House Panel Votes to Gut Dodd-Frank Law Enacted After the Financial Crisis*, Time.com, May 04, 2017.

Frank restrictions to the extent that proponents advocate would lead to another financial crisis.⁹

Regulatory barriers to housing development

Although the new Administration has not moved yet to reduce regulatory barriers to housing development, President Trump advocated doing so during the 2016 campaign. EHI has summarized his statements and steps that could be taken along those lines that would benefit low- and moderate-income Americans. For more, click on [TRUMP ON REGULATORY BARRIERS TO HOUSING DEVELOPMENT](#).

⁹ Associated Press, *House Panel Votes to Gut Dodd-Frank Law Enacted After the Financial Crisis*, Time.com, May 04, 2017.