

The spending program Trump can't kill

A rare bipartisan consensus will likely save a multibillion dollar grant from the Trump administration's attempts to gut domestic spending.

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Senators on both sides of the aisle used a confirmation hearing this week to protest the elimination of a \$3 billion housing program that President Donald Trump's budget has zeroed out.

Pam Patenaude, nominee for deputy secretary of Housing and Urban Development, faced tough questions from her fellow Republicans Tuesday – and even tougher ones from Democrats.

“That's \$3 billion that currently helps fund shelter for people with special needs, that helps build nursing homes, hubs for veterans, shelters for victims of domestic abuse,” Sen. Elizabeth Warren (D-Mass.) said about the community development block grant.

“The president's budget attacks those who need help ... it is a disgrace, and anyone who cares about housing in this country should oppose it.”

Patenaude found herself in the awkward position of selling a budget both parties on Capitol Hill are frustrated with.

“As the president's nominee, I support the president's budget,” she told Sen. Catherine Cortez Masto (D-Nev.). Describing herself as a “lifelong houser” — Patenaude has worked in the housing industry since a college internship with HUD — Patenaude said, “I would certainly be advocating for programs with proven track records.”

It's not just Democrats who oppose the cuts. The CDBG serves roughly 1,200 municipalities across red and blue states alike. The CDBG's mass appeal ensures it'll outlast the Trump administration's attempt to kill it – and members of Congress on both sides of the aisle are prepared to fight on its behalf in upcoming budget negotiations.

Sen. Thom Tillis (R-N.C.) warned Patenaude against the program's wholesale removal. “CDBG is important to me because we got \$334 million for [Hurricane] Matthew relief,” Tillis said. “Give me a more effective, efficient vehicle, that's what we need at HUD.”

Tillis and other Republicans' show of concern demonstrated the rare bipartisan consensus over the program's importance – from disaster relief in Republican-leaning North Carolina to the lead crisis in Democratic East Chicago, Indiana.

Laurel Blatchford, who shepherded CDBG with both HUD and New York City and now serves as senior vice president at Enterprise Community Partners, an affordable housing nonprofit, described the unlikely appeal of a federal anti-poverty program to free-market Republicans. “It's a federalist model,” Blatchford said. “It takes a program at a federal level and enables local decision-making in a way that's appealing to people across the political spectrum.”

CDBG funding is crucial to traditionally Democratic-leaning urban centers, but five Republican senators represent the 10 states that were as of 2014 its largest recipients. HUD also dedicates 30 percent of the funds to “non-entitlement” spending, where states directly administer the grants to communities that are “not metropolitan cities or part of an urban county.”

Occasionally, austerity-minded Republicans have tried to use the program as a punching bag, bucking its broad appeal. In 2008, former Sen. Jim DeMint (R-S.C.) referred to it as a “slush fund” when then-House Speaker Nancy Pelosi attached \$3.9 billion in grants to a home mortgage bill in the middle of the financial crisis. Since 2000, however, spanning both Republican and Democratic administrations Congress has consistently funded CDBG in the \$3 billion to \$4 billion range.

In Oklahoma City, the largest city in the nation to back Trump, Division Manager of Housing and Community Development Chris Varga described the impact the CDBG has had on their Strong Neighborhoods Initiative, which builds infrastructure and housing in low-income neighborhoods.

“We really need this funding, so we are worried,” Varga said. “There’s no other money, no city money for some of these programs that are totally dependent on CDBG ... Although the mayor and a large amount of our population are Republican, we have a huge population that meets the income level to be eligible for these affordable housing programs.”

Despite the bipartisan scorn for the proposed cuts, HUD Secretary Ben Carson still defended the program’s elimination in a written statement to the Senate Appropriations Committee this week. Carson’s statement read that the program is “not well-targeted to the poorest populations and has not demonstrated a measurable impact on communities.”

Mary Cunningham, co-director of the Urban Institute’s Metropolitan Housing and Communities Policy Center, pushed back on that characterization.

“Communities rely on CDBG to fund critical programs like homelessness or eviction prevention, or services to seniors,” Cunningham said. “We have to understand the impact of CDBG better, but we should be funding research to look more closely rather than just eliminating the program.”

Politicians and liberal think tanks aren’t the only ones who are concerned. National Association of Realtors President Bill Brown said that meetings with Carson have left him feeling “very positive,” but some in the industry worry that absent CDBG funding state governments may seek to replace it by other means – namely by raising homeowners’ property tax rates.

The doomsday scenario feared by both private and public sectors is unlikely. Congressional Republicans are learning in their attempt to repeal the Affordable Care Act that once a federal spending program is established, it can be no small task to tear it down.

Sen. Mike Rounds’ (R-S.D.) constituents elected Trump by nearly 30 points last year – and they rely on CDBG funds for Native American housing programs, as he reminded Patenaude in Tuesday’s hearing.

“I think they [at HUD] find themselves in a tough situation right now,” Rounds said after the hearing.

“Personally, I think something more reasonable is going to come out of the House and come out of the Senate,” Rounds said. “And at that state of the game I think we’ll be fine, with a CDBG budget that actually works.”