

# The Way It Looks to Me...

## "What Could Happen?"

Over the holidays, a good friend from another part of the country brought his young daughter to visit. She's very smart, and her perspective on the world taught me a lot. When told that she couldn't do some-

thing because it could be dangerous or unhealthy for her, she'd ask, "What could happen?"

When I first heard her ask the question, I thought she was simply asserting her right to have her own way. It seemed her message was that nothing bad would result if she were allowed to do as she wanted. But as I spent more time around her and her dad, I realized that her question was absolutely sincere. She was trying to make sense of the world around her. She seriously wanted to understand, when told that she shouldn't do something that seemed

attractive to her, "What could happen?"

Maybe people interested in affordable housing should be asking the same question. The President's proposed budget for fiscal year 2006 makes deep cuts to the budget of the U.S. Department of Housing and Urban Development (HUD). The 30-year-old Community Development Block Grant program would be moved to the Department of Commerce, and its funding cut by 40%. Housing programs for people with disabilities and people with AIDS would be cut, along with funding for rural housing, Indian housing, fair housing and lead safety. The Section 8 Housing Voucher program would be spared the deep cuts imposed in past years, but the program today serves only 95% of the number it served at the beginning of 2004. In addition, the Administration promises unspecified "reforms" to the Section 8 program later this year.

The Administration also plans to re-introduce its proposal for home ownership tax credits and will push for the proposal with new vigor as part of the "ownership society" theme. Home ownership tax credits would be under the existing limits for Low Income Housing Tax Credits, setting up a competition between rental housing and ownership housing for the same resources. And the Community Services Block Grant program, which provides core funding to Community Action Agencies, is also proposed for elimination. CAAs are vital actors in affordable housing production and rehabilitation in Wisconsin.

More proposed changes in the Community Reinvestment Act or even a proposal to eliminate CRA altogether are reported to be likely as well. The Administration's regulatory agencies have already proposed dramatic changes in CRA that would reduce its effectiveness.

The Administration's rationale for the funding cuts is that the President is committed to consolidating or eliminating duplicative or ineffective programs. Some

members of Congress and other housing advocates contend that the purpose of the proposals is to reduce overall federal spending for housing and community development because of the budget deficit and the cost of the war in Iraq. They point out that reductions in domestic spending are needed to offset the cost of making the Administration's tax cuts permanent and possibly expanding the tax cuts to make them more popular. There is a need to replace income that would be lost to the Social Security program by diverting some current withholding taxes to privatized accounts.

When I think about the impact of the proposed cuts, I think about my friend's daughter standing there wide-eyed, trying to make sense of the world around her, asking, "What could happen?" What could happen is that we would lose decades of progress on opening up safe and decent housing options for people with lower incomes. What could happen is that neighborhoods desperately in need of new investment would be abandoned to the forces tearing them apart. What could happen is that housing advocates and the people they serve will be pitted against one another for the funds that are left.

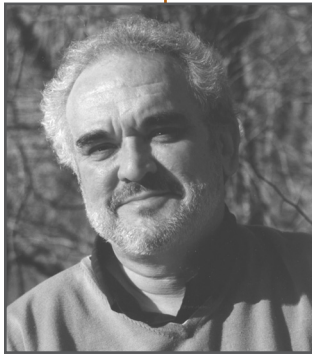
That's a pretty scary picture of the world. I hope we don't have to frighten a little girl who hopes for a brighter future by painting that kind of picture for her. But there's a different answer to her question. What could happen if we all decided that the proposed cuts were unacceptable? What could happen if we said that those of us who have more can afford to help those who have less? What could happen if we all worked together to make a convincing case for the positive results that federal housing programs have made in our local communities? What could happen if we made it clear to our representatives in Congress, irrespective of their political philosophies, that they owe it to Wisconsin people and Wisconsin communities to help us build homes, neighborhoods and lives instead of tearing them down or letting them fall apart?

We owe it to my friend's daughter, to all of the children, to each other and to ourselves to work for a hopeful instead of a hopeless answer to the question "What could happen?"

That's the way it looks to me.

### *Reorganization Continued from page 1*

The Partnership's project report includes detailed information on each community's roundtable session. Recommendations include a proposal for a future project by the Department of Commerce, as well as ideas tailored to each area's unique situation. For more information, or to receive a copy of the report, contact Kristin Silva, Project Manager (608/258-5560 x29; [kristinsilva@wphd.org](mailto:kristinsilva@wphd.org)).



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