

WITHOUT HOUSING FACT SHEET

Without Housing: Decades of Federal Housing Cutbacks, Massive Homelessness, and Policy Failures documents the direct correlation between homelessness and the massive cuts to HUD and USDA affordable housing programs that began in 1979 and continue today. It was first published by WRAP in 2006, then updated and re-released in 2010.

The reports show why, after 25 years, the McKinney and Homeless Emergency and Rapid Transition to Housing (HEARTH) Acts have had no substantial impact on ending homelessness. It shows how the failed policy of having local communities write 5 and 10-year plans to “end” homelessness has pitted them against each other for the miniscule amount of McKinney and HEARTH funding and has shifted the focus away from the lack of adequate affordable housing funding.


- Between 1978 and 1983, HUD budget authority shrank from \$83 billion to little more than \$18 billion in 2004 constant dollars, and since then has never been more than \$32 billion except for 2009 and 2010 because of Recovery Act funding (chart 1). For almost 30 years, we have never reached even 50% of the HUD budget authority available prior to the explosion of the modern homelessness crisis.
- In 1983, local governments across the United States began opening “temporary” shelters in response to the increasing numbers of people who had become homeless in their communities.
- HUD funding for new public housing units – the safety net for the poorest among us – has been *zero* since 1996 (chart 3), while approximately 210,000 existing units of public housing have been lost during the same time period. HUD estimates that 10,000 units a year are demolished or sold.
- From 1976-1985, a yearly average of almost 31,000 new Section 515 rural affordable housing units were built, but from 1986-2005 the average yearly production was 8170, a 74 percent reduction (chart 2).
- In 1987 the federal government responded to the growing crisis of homelessness with the McKinney-Vento Homeless Assistance Act, but McKinney funding has never been more than \$2 billion in 2004 constant dollars (chart 3).
- McKinney homeless assistance programs have increasingly become a “catch-all” system for people who once were provided for by other mainstream federal government programs. *Without Housing* documents this trend as it relates to HUD and USDA cuts, but it also holds true for domestic violence victims who used to



depend on Department of Justice funding, for veterans who depended on the Department of Veteran Affairs for housing and treatment, and for disabled people who depended on Department of Health and Human Services funded residential and community-based treatment programs.

- There are approximately 355 “Ten-Year Plans to End Chronic Homelessness” that cover 860 cities across the United States. Many communities have both, and all are competing for a share of the same \$2 billion (FY 2011) of McKinney-Vento funding.
- The most surprising aspect of mass homelessness is not that it was created by cuts to affordable housing. It is that the federal government spends more on housing subsidies today than it ever has, but these subsidies overwhelmingly benefit the private housing sector. Federal tax expenditures on home ownership in 2011 were \$120.3 billion, while total funding in all federal low-income housing assistance programs was \$44.2 billion — a difference of \$76.1 billion in current dollars.
- The Low Income Housing Tax Credit (LIHTC) program is the largest subsidy for low-income rental housing. LIHTCs are a classic example of the federal government’s attempt to build a profit incentive into the funding of affordable housing. This funding stream does not set rents based on a person’s income but rather on 60% of the area median income, making it almost impossible for homeless or other very low-income people to afford this type of “affordable housing.”
- Since the late-1970s, the federal government has starved public housing’s capital and operating funds. HUD now says that public housing is at a “tipping point” and the only way to save it is to open it up to private investment. In 2012, HUD launched its Rental Assistance Demonstration, a program that allows up to 60,000 units to convert to Section 8 properties in order to access private funding. As a result of this major change in financing, rents will likely increase and units could be lost to foreclosure, bankruptcy or expired contracts. This coupled with deeper cuts to public housing’s operating and capital funds signal that the nation’s most permanent affordable housing for over 1 million households is in peril.
- The rent increases proposed in Rep. Biggert's (R-IL) ironically named "Affordable Housing and Self-Sufficiency Improvement Act of 2012" would raise the minimum rent in several important HUD rental assistance programs from \$25 to \$69.45; the increase proposed in the President's 2013 budget would raise rents to \$75. For families with children who live on less than \$250 a month and food stamps, such increases could mean as much as a 200 percent rise in rent.
- According to Harvard University’s Joint Center for Housing Studies, 7.8 million foreclosure proceedings have begun since 2007; and 3.5 million foreclosures were completed in 2008-2010.



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- Since the 1980s, there has been a dramatic rise in anti-homeless laws and enforcement programs. Sitting on sidewalk, sleeping outside, and panhandling have become crimes in cities across the country. Criminalization has been driven by the concerns of business people and residents uncomfortable with the unsightliness of extreme poverty. Business Improvement Districts now use private security to remove homeless people from public space.
 - In 2008, the federal government spent \$4.127 billion on one Zumwalt Class Destroyer and \$4.113 billion in 2008 constant dollars on all public housing operating expenses (Chart 5).
 - In the midst of a failing economy and foreclosure crisis brought on in large part by gamblers on Wall Street playing fast and loose with other people's money, in a mere couple of months the federal government came up with a bailout of close to \$800 billion — a sum that surpasses the entirety of funding allocated for homeless assistance and affordable housing over the last three decades. According to CNN, taxpayers have paid over \$3 trillion in bailouts related to the financial crisis as of November 2009.
 - According to the Census Bureau, there were 15 million vacant housing units in the United States in 2010, a 44% increase from 2000.
 - Until we recognize housing as a human right and enact policies and budget allocations that reflect that right, along with quality education, economic security, and health care, we will not end homelessness.

WRAP calls on the federal government to: 1) Restore federal affordable housing funding to comparable 1978 levels; 2) Turn empty buildings into housing; 3) Improve living conditions in existing affordable housing; 4) Put moratorium on demolitions without replacement and right of return; and 5) Stop criminalizing homelessness.

