

2018 HUD Budget Fact Sheet



June 27, 2017

WRAP produced this fact sheet to provide a historical understanding of how proposed HUD budget cuts of 2018 have a direct link to a 38-year-cycle of draconian cuts to our nation's affordable housing programs. These cuts have a direct correlation to the creation of contemporary homelessness and the housing shortage impacting most major cities across the United States. A half-billion or even a billion dollar cut here and there may not sound so severe when looked at in isolation, given the size of the overall budget. However, when we view these cuts in the history of federal neglect towards affordable housing, we can better understand our current crisis of homelessness.

History of Slashing HUD Budget

1978 to 1983: HUD budget authority shrank from **\$83 billion** to a little more than **\$18 billion** (in 2004 constant dollars) and shelters opened throughout the United States.

1995 – 2011: HUD dismantled 290,588 units of public housing and 360,000 Section 8 units. A total of 650,588 units lost. In March 2012, another 7,107 units were approved for demolition/disposition.

1996 – 2017: HUD funding for new public housing units – the safety net for the poorest among us – has been zero since 1996.

2010 – 2016: HUD housing and community development funding fell **\$4.6 billion, or 8.7 percent**, since 2010 (adjusted for inflation).

2017: Homeowner tax breaks cost the US Treasury approximately \$140.7 billion, with 75% of this expenditure benefiting homeowners earning more than \$100,000 a year. Total funding in all federal low-income housing assistance programs was \$46 billion — *a difference of \$94 billion.*

2018 cuts to HUD budget (proposed May 23, 2017)

HUD Programs: Proposed: **\$40.7 billion budget** for all HUD programs, \$6.2 billion (13 percent) below 2016 funding, and about **\$7.5 billion** (15 percent) below the 2017 levels.

Proposed **\$4.1 billion cuts of program funds which eliminates** the HOME, Community Development Block Grant (CDBG), and Choice Neighborhoods, three of the four HUD programs directing flexible aid to poor communities.

Homeless Assistance Grants: **\$133 million** in cuts to homeless shelter, services and housing programs

Public Housing: Public housing funding slashed by **\$2 billion, or about 30 percent**. Public housing currently requires more than **\$30 billion** in repairs and it is estimated 10,000 units a year are lost to maintenance issues.

Housing Vouchers and Subsidies: **250,000** households will lose their rental assistance

Housing vouchers are proposed an allotment of **\$19.3 billion** which is **\$300 million below** the 2016 funding level and **\$1.7 billion below** the amount required to renew all currently issued vouchers in 2018.

Minimum rents would rise from 30% to 35% of a person's income.

Eliminates funding for VASH Vouchers, a \$40 million cut from FY17.

USDA Rural Housing: 60 million cut to rental assistance in rural housing programs. Eliminates farm worker housing loans/grants and housing repair loans

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. So WRAP is calling 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; 5) Stop criminalizing poverty and homelessness.