

2019 HUD Budget Fact Sheet



October 17, 2019

WRAP produced this fact sheet to provide a historical understanding of how HUD's budget cuts have a direct link to a 40-year process of draconian reductions to our nation's affordable housing programs. These cuts have a direct correlation to the creation of contemporary homelessness and the housing shortage impacting communities 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 the HUD Budget

1978 – 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.

2011 – 2018: The stock of public housing fell by 144,000 units, an average of over 20,500 units per year.

1996 – 2019: 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).

2019 HUD budget

There is a **\$43.2 billion budget** for low-income housing assistance programs in 2019, the same levels as 2018, and **\$3.8 billion** above 2017 levels.

In comparison, homeowner housing subsidies through tax breaks are approximately \$113.8 billion — **\$70.7 billion greater than the budget for low-income housing assistance programs.**¹

These tax breaks overwhelmingly benefit wealthy homeowners. For example, in 2017, **80.7%** of the \$65 billion in home mortgage interest subsidies went to those earning more than **\$80,000 per year**.

Public Housing has an estimated capital needs backlog of approximately **\$26 billion**, which is expected to grow by **\$3.4 billion annually**, but HUD has Public Housing Operating and Capital Budgets of **only \$7.3 billion**.

Taken from HUD's rental assistance and public housing budgets, **\$257 million** was transferred to Rental Assistance Demonstration (RAD), to sell off public housing.

Since 2013, RAD has converted **122,000 units** of public housing to private ownership. Another **94,000 units** are in the process of conversion.

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



¹ The three tax breaks that subsidise homeowner housing exclude interest on owner-occupied mortgage subsidy bonds, allow deductions of mortgage interests on owner-occupied homes, and allow deductions of state and local property taxes on owneroccupied homes.