



2012 HUD BUDGET FACT SHEET



November 18, 2011

WRAP has produced this fact sheet to provide a historical basis for understanding the affordable housing cuts in HUD that once again were included in the Federal Congressional Budget process. 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. But when looking at the 38-year-cycle of draconian cuts to our nation's affordable housing programs and the direct correlation of how this created and perpetuates homelessness, we can better understand and hopefully fight against these continued attacks on the human right to housing.

History of Slashing HUD Budget

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

1995 – 2011: During this time, 290,588 existing units of public housing and 360,000 Section 8 units **have been lost**. With another 7,107 approved for demolition/disposition since March of this year. Also during this time 830,000 new Jail and Prison cells have been created.

1996 – 2011: HUD funding for new public housing units – the safety net for the poorest among us – has been zero since 1996

2008: Homeowner tax breaks cost the US Treasury approximately \$144 billion, with 75% of this expenditure benefiting homeowners earning more than \$100,000 a year, while total funding in all federal low-income housing assistance programs was \$46 billion — **a difference of \$98 billion**.

2012 cuts to HUD budget include:

2012: HUD's budget is \$37.4 billion, a **decrease of \$3.7 billion** from 2011 budget of \$41.1 billion. (In today's dollars). Homelessness is on the rise.

2012: Tenant based Section 8 funding was level funded at **\$18.9 billion**....Press release from committee states "tenants currently in housing will not lose housing" but with this rising costs in the program that seems unlikely.

2012: Public housing operating funds in 2012 are \$3.96 billion. This represents a decrease of **\$760 million** in just the past three years (2010 funds of \$4.7 billion and 2011 funds of \$4.6 billion).

2012: Capital available to perform maintenance in Public Housing for 2012 is \$1.875 billion. This represents **a decrease of \$625 million** in just the past three years (2010 capital funds of \$2.5 billion and 2011 capital funds of \$2.04 billion) Currently HUD's public housing maintenance needs are estimated at \$20-30 billion. Instead of funding this backlog Congress has passed the Rental Assistance Demonstration (RAD) which authorizes the conversion of up to 60,000 public housing and Mod Rehab units to private or non-profit owned project-based Section 8 units. However, the bill provides no new funding; instead, it directs HUD to use existing resources and fund increased Section 8 costs through reductions in public housing operating and capital funds directly related to the demonstration units.

2012: Section 202, funding for senior housing, is \$374 million, a harsh decrease of **\$461 million** since 2010 (\$825 million).

2012: Section 811 funding for disabled people increased in 2012 to \$165 million from \$149 million in 2011.

2012: HOPWA (Housing Opportunities for People with Aids) **was cut \$2 million** in 2012 to \$332 million following a \$3 million cut in 2010.

2012: CDBG (Community Development Block Grants) were cut to **\$2.9 billion** in 2012, another consistent decrease from **2010 levels of \$3.9 billion** and **\$3.3 billion in 2011**.

The recent corporate bailout cost taxpayers over \$800 billion — a sum that surpasses the entirety of funding allocated for homeless assistance and affordable housing over the last three decades.

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; and 5) Stop criminalizing homelessness.