



FACT SHEET

U.S. Department of Housing and Urban Development Proposed House Republican Budget Cuts

May 12, 2015

Statement from Secretary Julián Castro:

“In February, the President put forth a budget proposal that is a blueprint for greater opportunity for all Americans. Three months later, the Republican-controlled House has responded with a budget that supports inaction and disinvestment when it comes to the needs of our nation’s most vulnerable citizens. The House’s current proposal severely limits our ability to end homelessness, invest in distressed communities and provide housing support for very low income households. In a nation founded on the principle of equality of opportunity, it’s unacceptable to support anything less than an expansion of opportunity for all.”

The House Republican bill would hinder HUD’s efforts to carry out our mission and invest in communities that need it the most. It would hamper our ability to end homelessness and provide housing support for very low income households, including families with children, the elderly, and the disabled. The average person who receives HUD assistance has an annual income of just \$12,500.

The programs that the proposed GOP budget would mostly impact are:

Housing Choice Voucher (HCV) Program:

- HUD’s Housing Choice Vouchers would be funded at 6 percent less than the President's request for this assistance to the Nation's most vulnerable families and individuals.
- In total, compared to the President's Budget, the GOP budget would provide roughly 100,000 fewer vouchers. Not only does the budget fail to restore the 67,000 vouchers lost due to the 2013 sequestration, the funding level is also insufficient to renew 28,000 existing vouchers or provide full funding for tenant protection needs.

- Without these vouchers, HUD will not be able to continue assistance to many low income households, or provide new vouchers for families, veterans, and tribal families experiencing homelessness; victims of domestic or dating violence; youth aging out of foster care; and families with children in the foster care system for whom voucher assistance could facilitate reunification.

Choice Neighborhoods:

- Due to the success and high demand of the Choice Neighborhoods program, HUD requested \$250 million in the FY16 budget to support the transformation of underserved communities.
- The GOP budget would fund this program at only \$20 million, about 92% less than the President's request. Each Choice Neighborhood grant is approximately \$30 million, so the Republican budget will not fund even one full grant.
- Choice Neighborhoods is a critical component of the Administration's place based efforts to target high poverty communities with joint federal investments with local partners to increase economic activity, improve educational opportunities, leverage private investments, reduce violent crime, and enhance public health.

Homelessness:

- Compared to the President's Budget, the GOP budget would cut support for Homeless Assistance Grants by roughly \$295 million, or 12 percent, and would support 15,000 fewer homeless or at-risk families with rapid rehousing and 25,500 fewer units of permanent supportive housing targeted to the chronically homeless.
- Since 2010, we have made significant progress, reducing the total number of veterans experiencing homelessness by 33 percent and the number of unsheltered homeless veterans by 43 percent.

Public Housing Capital Fund:

- The GOP budget would cut the Public Housing Capital Fund by 15 percent or \$289 million. This would cause further deterioration of much needed public housing units.

Healthy Homes:

- The GOP budget would endanger the health of low income families living with hazardous materials in their house. It slashes HUD's Office of Lead Hazard Control and Healthy Homes by nearly 40 percent, resulting in at least 3,400 fewer low-income children receiving lead hazard control grant assistance in their home.
- The GOP budget would eliminate \$35 million to protect young children from lead poisoning and other housing related health and safety hazards such as mold and moisture, radon, pests and other asthma triggers.

Rental Assistance Demonstration:

- The GOP budget would prevent the modernization of current public housing and affordable housing units by not removing the cap for HUD's Rental Assistance Demonstration Program. In addition, HUD requested \$50 million for the RAD program which was not included in their budget.
- RAD is an important tool for moving families out of impoverished neighborhoods and for doing capital work with private dollars on public housing. It is estimated that RAD has leveraged more than \$700 million in private capital.

Job Training Programs:

- The GOP budget would deny low income Americans an opportunity to obtain job training and good salary by only funding the Jobs-Plus Demonstration program with \$15 million, when HUD requested \$100 million. Jobs-Plus is a critical initiative to help residents increase their earned income and become self-sufficient.

Affordable Housing Units:

- The GOP budget would eliminate \$233 million in HOME funds, which helps states, cities and municipalities build low-income housing. HUD requested \$1 billion and Congress is funding it at \$767 million. This cut fails to recognize that we must significantly confront this nation's affordable rental housing crisis by producing more affordable units.