

Cuts to Housing Benefits

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Under the last Administration, President Donald Trump and conservative Members of Congress proposed to cut housing benefits that help America's poorest seniors, people with disabilities, families with children, and the lowest-income people afford to keep a roof over their heads. These proposals would have increased rents and imposed work requirements on millions of low-income families who receive housing benefits. If enacted, the proposals would have left even more low-income people without a stable home, making it harder for them to climb the economic ladder and live with dignity, and in and in worst cases, could have led to increased evictions and homelessness.

Congress must continue to reject proposals that take away housing benefits and instead enact proven solutions to help struggling families earn more and get ahead. This starts with expanding—not slashing—investments in affordable homes, job training, education, childcare, and other policies that help families thrive.

ISSUES

One of the biggest barriers to economic prosperity for America's lowest-income families is the lack of decent, accessible, and affordable homes. Research shows that when people have a stable, decent, and accessible home they can afford, they are better able to find employment, achieve economic security, age in place, perform better in school, and maintain improved health.

Without housing benefits, it is harder for struggling families to get ahead and afford basic necessities like nutritious food and medical care because so much income is taken up by housing costs. If Congress cuts housing benefits, even more families would be homeless, living in substandard or overcrowded conditions, or struggling to meet other basic needs. When families cannot afford rent, they are forced to cut

back on investments in their future, including education, training, retirement savings, and healthcare.

Families with rental assistance are already required to pay what they can afford in rent, based on their income. Charging higher rents would force them to divert money away from basic needs like medicine or clothing or would put them at risk of eviction and homelessness. Rent increases, such as higher minimum rents or eliminating deductions, target the very poorest people, including seniors and people with disabilities, who are already at great risk of homelessness.

Additionally, cutting housing benefits would not create the well-paying jobs and opportunities needed to lift families out of poverty. Work requirements only make it more difficult for families to find and keep their jobs, and research shows that work requirements are counter-productive for most families and do not lead to stable employment or a path out of poverty. Work requirements have the greatest impact on people with disabilities, who need affordable, accessible homes and sometimes other services offered by housing providers in order to maintain employment. Without housing assistance, low-income people face a greater risk of eviction and homelessness, circumstances that make it incredibly difficult to maintain a job. Affordable housing and housing assistance are foundational to employment and economic security.

Imposing arbitrary time limits would only cut people off from the very housing benefits that make it possible for them to find and maintain employment. Arbitrary time limits are especially harmful in high-cost areas and rural communities, where rents are well above what a low-income worker can afford and where there is a severe shortage of affordable homes. Time limits would not address this structural problem; only investments in the creation of affordable homes and expansion of programs that help people remain safely, accessibly and affordably

housed will provide low-income households the stability needed.

Moreover, imposing work requirements, time limits, and rent increases creates new administrative costs for housing providers without providing significant benefits to residents or the public. Housing providers would be forced to divert resources away from property maintenance and the resident services they already provide to pay for additional staff and regulatory compliance. Congress must take action to ensure assisted households are not weighed down with burdensome and unhelpful mandates, and that housing benefit programs receive as much funding as possible in the coming year.

PROPOSALS FROM THE TRUMP ADMINISTRATION

There were several proposals from the Trump Administration to cut housing benefits – whether by slashing HUD’s budget, increasing rents, or imposing work requirements and time limits on low-income households. The House Financial Services Committee held hearings on some of these proposals, while the Senate Banking Committee remained largely silent on the issue. Advocates mobilized against proposals to cut housing benefits and were successful in stalling legislation from moving forward.

Spending Cuts

In each budget request, President Trump and HUD Secretary Ben Carson proposed steep cuts to HUD’s budget. In fiscal year (FY) 2021, for example, Carson proposed to cut HUD funding by an astounding \$8.6 billion, 15% below 2020 enacted levels. The proposal would have eliminated the HOME Investments Partnership program and Community Development Block Grants (CDBG), and slashed funding for the Housing Choice Voucher (HCV) program by \$5 billion. This change would have put 160,000 families currently being served by the HCV program at risk of losing their assistance and their ability to afford their home.

Legislative Proposals

The Trump Administration proposed the “Making Affordable Housing Work Act,” in 2018 to impose work requirements, rent increases, and other burdens on millions of low-income families who receive federal housing assistance through HUD. The Administration claimed that such changes were needed to promote self-sufficiency and decrease federal spending. The legislation was not formally introduced by a Member of Congress.

Currently, most families receiving federal housing assistance pay 30% of their adjusted income as rent. Under the Trump proposal, most HUD-assisted families, with some exceptions, would instead pay 35% of their gross income or 35% of the amount earned by working at least 15 hours a week for four weeks at the federal minimum wage, whichever is higher. With this provision, HUD would have essentially set a new mandatory minimum rent of \$150, which is three times higher than the current minimum rent that housing providers may apply to assisted households. The bill would have also increased rents for households with high medical or childcare expenses by eliminating income deductions for those expenses, the impact of which would disproportionately fall on seniors, people with disabilities, and families with young children. The bill granted the HUD secretary authority to impose even higher rents through alternative rent structures and *de facto* time limits. The proposal allowed housing providers to broadly impose work requirements, without additional resources to help people gain the skills needed for well-paying jobs.

FORECAST FOR 2021

With Democrats in control of the House and Senate in the 117th Congress and a new Administration that has pledged to ensure housing is seen as a fundamental right, legislation to cut housing benefits is less likely to move forward through the legislative process. However, lawmakers may still introduce harmful legislation.

HOW YOU CAN TAKE ACTION

Congress and the Biden Administration must work together to expand access to safe, accessible, and affordable housing for all people, and ensure resources are targeted to those with the greatest needs. Advocates should:

- Expand voluntary programs, like Jobs Plus and Family Self Sufficiency, that provide services and financial incentives to help families increase their earnings without the risks and added costs.
- Evaluate existing demonstration programs, like Moving to Work, to determine the impact on tenants and outcomes before imposing across-the-board changes.
- Use HUD’s Section 3 regulation, which provides an opportunity to promote job training and hiring among people receiving housing benefits.
- Implement bipartisan changes recently enacted by Congress in the “Housing Opportunity Through Modernization Act” that encourage work among housing beneficiaries.
- Tell Congress and the Administration to expand resources for affordable, accessible housing through large-scale infrastructure investments, increased appropriations, and other legislation to fully address the nation’s housing affordability crisis.