

Draft Trump Proposal Would Increase Homelessness and Housing Poverty

According to draft legislation, the Trump administration is seeking to cut housing benefits by imposing rent increases and work requirements on millions of low income families who receive federal housing assistance. If enacted, the proposal would leave even more low income people—including seniors, people with disabilities, veterans, children, and other vulnerable populations—without a stable home, making it harder for them to climb the economic ladder and live with dignity. This could lead to increased evictions, and in worst cases, homelessness.

Congress should reject this harmful proposal 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 to help families thrive.

INCREASES RENTS ON MILLIONS OF THE LOWEST INCOME FAMILIES

Because people receiving federal housing assistance already pay their fair share, rent increases will only force them to divert money away from basic needs like medicine or food and would put them at increased risk of eviction and homelessness. By law, families are required to pay what they can afford in rent, based on their income. Rent increases target the very poorest people, who are already at significant risk of homelessness. The draft Trump proposal:



- **Increases rents on nearly all families.** Currently, most families receiving federal housing assistance pay 30% of their *adjusted* income as rent. Under the proposal, households would instead have to pay 35% of their *gross* income.
- **Eliminates income deductions for medical or childcare expenses.** Basing families' contributions on gross income particularly hurts households with high medical or child care expenses—disproportionately seniors, people with disabilities and families with children—by eliminating deductions for these expenses.
- **Increases the mandatory minimum rent by three times its current rate for households assumed to be able to work.** Any family headed by a person younger than 65 who is not considered disabled would have to pay a new mandatory minimum rent of \$152.25 each month, if higher than 35% of their actual gross income. This amount is based on 35% of the amount that would be earned by working 15 hours per week for four weeks at federal minimum wage, currently \$7.25 per hour. The new policy essentially deems this amount of income to these families. This provision would more than triple the current minimum rent that housing providers may apply to families.
- **Increases rents on the poorest elderly and disabled families.** The draft bill would increase minimum rents on these families to 30% of their monthly gross income or a minimum rent of at least \$50, whichever is higher. To qualify as an elderly or disabled family for the purposes of calculating rent, all adult family members must be elderly or have a disability. If there is an adult in the household who is not elderly or disabled, that person must be considered head of household, meaning that a “mixed” household would still be required to pay 35% of their gross income as rent. Additionally, the bill increases the age minimum for a “elderly” household from 62 to 65 years old.

- **Does not ensure compliance with hardship exemptions.** The draft bill purports to maintain the same hardship exemptions as current law. However, HUD has not complied with recently enacted, bipartisan law to certify that public housing agencies (PHAs) and owners are complying with hardship requirements.
- **Gives authority to HUD to change rent policies, without protections for renters.** The bill also allows HUD to establish additional rent policies that PHAs and project-based Section 8 owners may choose to adopt, including tiered rents, stepped rents, or timed escrow so long as the rent structures meet certain criteria. PHAs and owners can also request their own form of alternative rent structure.
- **Allows housing providers to charge families rent up to 50% of their income, leaving them with few resources to cover their other basic needs.** The bill would permit PHAs and project-based Section 8 owners to charge residents up to 50% of their gross income as rent. As a result, these families would have no choice but to cut back on investments in their future, including education, training, retirement savings, and healthcare.
- **Locks families into higher rents, even if their incomes decrease.** Under the bill, income would be reviewed and rent contributions adjusted every three years instead of annually. However, a family may only request an interim reexamination if their income decreases by 20%—not 10% as under current law.

IMPOSE HARMFUL WORK REQUIREMENTS

Work requirements are ineffective: they do not create the jobs with decent pay and opportunities needed to lift people out of poverty. Instead, imposing such requirements could cut struggling families off from the very housing stability and services that make it possible for them to find and maintain work. The draft Trump proposal:

- **Provides broad discretion to housing providers to broadly impose work requirements, without HUD's approval.** The draft bill allows PHAs and project-based Section 8 owners to require up to 32 hours per week per adult. Work requirements may be applied to all or a portion of the family.
- **Allows work requirements on primary caregivers of young children.** The bill allows PHAs and project-based Section 8 owners to impose work requirements on primary caregivers of young children, without concern for high childcare costs that make it difficult to work. .
- **Narrowly defines "work."** The draft bill limits "work" to employment, vocational training, or education, but only if it would lead to a degree or certificate. This excludes volunteer work and training and apprenticeships that do not lead to a certificate. It may also exclude time spent searching for a job or receiving addiction or mental health treatment.
- **Provides no resources to support work requirements.** The bill does not provide additional resources for employment-related services to help connect people to jobs.