

Trump Proposal Would Increase Homelessness and Housing Poverty

According to proposed legislation submitted to Congress on April 25th, 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 would be the steepest for the very poorest people, who are already at significant risk of homelessness. The 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 when fully phased in, 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 at least three times its current rate for households assumed to be able to work.** Any family with a person younger than 65 who is not considered disabled would have to pay a new mandatory minimum rent of at least \$150 each month, if higher than 35% of actual gross income. This amount is based on 35% of the amount that would be earned by working at least 15 hours per week¹ for four weeks at the 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. For current HUD tenants, this change in rent would be phased in over six years. To qualify as an elderly or disabled family for the purposes of calculating rent, all adult family members must be at least 65 or have a disability (except for a live-in aide).

¹ The HUD secretary may adjust the number of hours of work per week used to determine the family rent, but the number of hours cannot be less than 15 hours.

- **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 (which act as de facto time limits), 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.
- **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. A family with any adult younger than 65 who is not considered disabled may only request an interim reexamination if their income decreases by 20%—not 10% as Congress recently required.

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. Moreover, most recipients of housing assistance who could be expected to work already do. 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 Trump proposal provides public housing agencies and project-based Section 8 owners the option to impose work requirements. The HUD secretary would be responsible for developing regulations establishing criteria for who may be subject to work requirements, the number of hours a tenant would be required to work each week, and what qualifies as work.