FY18 Federal Budget: Affordable Housing and Latinos

Every American family needs a decent home and a stable living environment and for many Americans, homeownership remains a cornerstone of the American Dream. For Latino families, owning a home is one of the most effective long-term wealth-building tools. Federal programs that help create and preserve affordable housing and homeownership opportunities are critical to ensure that low-income Latino households have a roof over their heads and assist creditworthy Latinos to become homeowners. Nationally, 57% of Latino renters face high rental costs, with more than half of Latinos paying a third or more of their income on rent every month.\(^1\) Fewer than half of Latino households own a home.\(^2\) Federal rental assistance and homebuyer down payment assistance are essential to help families afford necessities, like groceries, work-related expenses and emergencies.

**What are Affordable Housing Subsidies?**

For families who live in low-poverty neighborhoods, children are significantly more likely to attend college, have lower rates of teenage pregnancy, and have higher incomes as adults.\(^3\) The following HUD-administered programs encourage investment, preserve affordable home prices, and help stabilize low-income communities: (1) Community Development Block Grant (CDBG); (2) HOME Investment Partnerships; (3) Housing Choice Vouchers; (4) Section 8 Project-based Rental Assistance; and (5) Housing Trust Fund.\(^4\) Federally funded affordable housing subsidies help families pay for a safe place to live avoiding homelessness or other kinds of housing instability.

**Who Benefits?**

Households must earn a low or moderate income to receive assistance from programs such as CDBG or federal rental assistance. In 2016, CDBG assisted 2.4 million households and made housing affordable for 242,000 households.\(^5\) Federal rental assistance makes housing affordable for 4.5 million households.\(^6\) Seventy-five percent of non-elderly, non-disabled households receiving federal rental assistance in the United States were working, worked recently, or likely were subject to work requirements.\(^7\) In 2016, 740,000 Latino households benefited from federal rental assistance.\(^8\) Federal rental assistance lifted approximately 720,000 Latinos out of poverty in 2015, including approximately 270,000 Latino children.\(^9\)
What About the Federal Budget?
President Trump’s FY18 budget request aims to undermine federal affordable housing programs by imposing unprecedented cuts—more than $5 billion—to fund tax breaks for both corporations and the wealthy. In the FY18 Transportation-HUD Appropriations Act, the House Appropriations Committee followed Trump’s lead and approved a $91.5 million cut to the Public Housing Capital Fund, a $117.5 million cut to funding for Choice Neighborhoods, a $100 million decrease in funding for HOME Investment Partnerships, and a $100 million cut for CDBG.¹⁰

Current funding limitations already exclude three out of four eligible low-income renter households from receiving federal rental assistance.¹¹ Of the one-in-four low-income households that do benefit, these proposed cuts would further jeopardize their ability to put a modest roof over their heads. Congressional appropriators should reject attempts to cut any funding to affordable housing programs.

³ Ibid.
⁶ CBPP tabulation of Department of Housing and Urban Development (HUD) 2016 administrative data, produced by arrangement with HUD.
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