

## 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.<sup>1</sup> Fewer than half of Latino households own a home.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> Federal rental assistance makes housing affordable for 4.5 million households.<sup>6</sup> 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.<sup>7</sup> In 2016, 740,000 Latino households benefited from federal rental assistance.<sup>8</sup> Federal rental assistance lifted approximately 720,000 Latinos out of poverty in 2015, including approximately 270,000 Latino children.<sup>9</sup>

## 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.<sup>10</sup>

Current funding limitations already exclude three out of four eligible low-income renter households from receiving federal rental assistance.<sup>11</sup> 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.

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<sup>1</sup> U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2015 & 2011 American Community Survey 1-Year Estimates," [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_15\\_1YR\\_S0201&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_S0201&prodType=table), Table S0201.

<sup>2</sup> U.S. Census Bureau, "American FactFinder: TENURE (Hispanic or Latino Householder): 2015 American Community Survey 1-Year Estimates," [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_15\\_1YR\\_B25003I&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_B25003I&prodType=table), Table B25003I.

<sup>3</sup> Ibid.

<sup>4</sup> Center on Budget and Policy Priorities, "Policy Basics: Federal Rental Assistance" (Washington, DC: CBPP, 2016) <http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance>.

<sup>5</sup> U.S. Department of Housing and Urban Development, "CDBG Accomplishment Reports" (Washington, DC: HUD) <https://www.hudexchange.info/programs/cdbg/cdbg-accomplishment-reports/>.

<sup>6</sup> CBPP tabulation of Department of Housing and Urban Development (HUD) 2016 administrative data, produced by arrangement with HUD.

<sup>7</sup> Center on Budget and Policy Priorities, "United States Fact Sheet: Federal Rental Assistance" (Washington, DC: CBPP, 2016) <http://www.cbpp.org/sites/default/files/atoms/files/4-13-11hou-US.pdf>.

<sup>8</sup> CBPP tabulation of Department of Housing and Urban Development (HUD) 2016 administrative data, produced by arrangement with HUD.

<sup>9</sup> UnidosUS analysis of U.S. Census Bureau, "2015-2016 Annual Social and Economic Supplement," *Current Population Survey*. Washington, DC, 2016, <https://www.census.gov/programs-surveys/cps/data-detail.html>.

<sup>10</sup> House Committee on Appropriations, *Departments of Transportation, and Housing and Urban Development, and Related Agencies Appropriations Bill, 2018*, 115 Cong., 1st sess., Committee Print, <https://appropriations.house.gov/uploadedfiles/23928.pdf>.

<sup>11</sup> Center on Budget and Policy Priorities, "Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance" (Washington, DC: CBPP) [http://apps.cbpp.org/shareables\\_housing\\_unmet/chart.html](http://apps.cbpp.org/shareables_housing_unmet/chart.html).