



Campaign for Housing and Community Development Funding

Working to ensure maximum federal resources for housing and community development.

Impact of Sequestration: More than Two Million Americans Face Negative Impacts of 2013 Cuts to Affordable Housing and Community Development Programs

Impending Cuts

An across-the-board cut, or sequestration, of federally funded housing and community development programs would severely impact the provision of safe, decent and affordable housing and necessary supportive services, and the development and recovery of vibrant communities. Sequestration of all discretionary spending is scheduled to take effect on January 2, 2013; this would result in an estimated 8.4% cut for housing and community development accounts.

Potential Impacts

CHCDF estimates that sequestration would negatively affect more than 440,000 households and an additional 1.1 million people by decreasing affordable housing opportunities and community development services. These households and individuals are low and moderate income renters and homeowners in urban, suburban, rural and tribal communities, including the elderly, people with disabilities and people experiencing homelessness. The need for affordable housing and community development services far exceeds what current funding levels can provide and sequestration would accelerate the growth in the number of households in need.

HUD Program	FY12 Funding (\$ in millions)	Sequester Cut ¹ (\$ in millions)	Households and Individuals Impacted
Tenant-Based Rental Assistance	\$18,914	-\$1,629	185,000 households would lose rental assistance in 2013 and these losses would be permanent if funding is not restored at a later time.
Project-Based Rental Assistance	9,340	-830	92,400 households would lose housing within several years if cuts are not restored.
Homeless Assistance Grants	1,901	-180	145,900 people would be homeless instead of housed.
Housing Opportunities for Persons with AIDS	332	-28	4,738 households would lose housing.

- Hundreds of thousands of vulnerable and low income households would lose housing or shelter under sequestration.
- Thousands of low and moderate income households would not have access to affordable housing because new rental and homeownership units would not be produced.
- Thousands of low income households will, over time, lose access to affordable housing units due to more severe underfunding of the current stock of affordable housing, including public housing.² This increase in funding deficit for maintenance and repair of units as well as curtailment of preservation activities will result in a loss of public investment.
- Thousands of seniors and persons with disabilities would lose supportive services that accompany their affordable housing and would live in housing that is less well maintained.
- Over 35,000 households would lose housing counseling, fair housing and lead-based paint hazard assistance.

¹ Baseline FY13, S. 2322.

² Data to calculate the impact of sequestration on households living in or on waiting lists for public housing is not currently publicly available.

HUD Program	FY12 Funding (\$ in millions)	Sequester Cut ³ (\$ in millions)	Households and Individuals Impacted
Community Development Block Grants	\$2,948	-\$260	8,585 persons would not receive housing assistance; 165,087 persons would not benefit from public improvements including 4,139 seniors, 1,960 homeless people, and 1,589 people with disabilities; 846,857 persons would not benefit from public services including 46,039 homeless AIDS patients, 18,009 people with disabilities, 22,361 battered or abused spouses, and 18,580 people who would not receive homebuyer counseling.
HOME Investment Partnerships Program	1,000	-84	4,531 households would not receive new or rehabilitated rental and ownership housing.
Native American Housing Block Grants	650	-55	487 households would not receive new or rehabilitated rental and ownership housing.
Native Hawaiian Housing Block Grants	13	-1	6 households would not receive new or rehabilitated rental and ownership housing.
Self-Help and Assisted Homeownership Opportunity Program	54	-4	76 minority households would not receive housing services.
Housing for the Elderly	375	-32	114,000 households would receive reduced unit maintenance and supportive services.
Housing for Persons with Disabilities	165	-13	250 households would not be able to access new units; 24,571 households would receive reduced unit maintenance and supportive services.
Housing Counseling Assistance	45	-5	15,664 households would not receive housing counseling services.
Fair Housing and Equal Opportunity	71	-6	1,680 households' fair housing complaints would not be addressed.
Healthy Homes & Lead Hazard Control	120	-10	1,000 households with children would live in units with significant lead-based paint hazards that would not receive lead hazard control.

Additional Potential Impacts

Investment in safe, decent and affordable housing and more vibrant communities improves child well-being, enhances educational achievement, improves health, lowers crime, and increases employment access and stability. It also creates jobs and assists in economic recovery. In contrast, sequestration cuts to housing and community development programs will result in increased costs for federal, state, and local governments as a result of evicting households from federally supported housing, who will then be forced to access emergency shelter and other services; eliminating employment opportunities for low income households; allowing affordable housing to deteriorate and degrade neighborhoods; and halting economic growth of neighborhoods.

³ Baseline FY13, S. 2322.