

THE Nation.

Published on *The Nation* (<http://www.thenation.com>)

The Unfathomable Cuts in Housing Aid

Patrick Markee | December 14, 2011

For an up-close view of the affordable housing crisis—which predated the mortgage-driven financial crisis of 2008 but has deepened since then into a full-blown national emergency—one place to be was the Jesse Owens Memorial Complex in the Red Bird neighborhood of Dallas. There, in the early morning hours of a typically scorching day this past July, thousands of impoverished Texans lined up for a chance to get on a waiting list for federal housing assistance, the first time in five years that the county government had accepted applications. Back in May another 21,000 people had applied for a shot at 5,000 spots on the Dallas Housing Authority’s waiting list—still better odds than in nearby Plano, where 8,000 people applied for only 100 available housing vouchers.

Similar gatherings, with similar casinolike odds, have occurred around the country with a sort of stealthy frequency. In Oakland, California, which opened its waiting list in January, officials expected as many as 100,000 people to apply for 10,000 vouchers. In Atlanta, sixty-two people were injured in 2010 at an East Point shopping center where 30,000 lined up after the local housing authority opened its waiting list for the first time in eight years. Even small communities like Aiken, South Carolina, saw hundreds queuing up in October for a chance at housing aid about as likely as seeing three cherries in a row on a Vegas slot machine.

Another way you can find tangible evidence of the housing affordability crunch is by visiting one of New York City’s exploding number of homeless shelters, where a record 41,000 homeless people bed down each night, including more than 17,000 children. The *New York Times* recently told the story of one of those children, fourth-grader N-Dia Layne, who travels two and a half hours each day between her Upper Manhattan shelter and her school in Brooklyn’s Brownsville neighborhood. In Cleveland, the number of homeless families and kids grew so rapidly this past summer that for the first time shelters were forced to eliminate daytime meals, housing-search assistance and other services in order to move workers to the overnight shifts, according to Brian Davis of the Northeast Ohio Coalition for the Homeless.

You’ll find another, even less-noticed symptom of the housing crisis scattered in the rising number of foreclosed homes that have been “occupied”—in defiance of banks and legal authorities—by former owners and other displaced people. From Rochester, New York, to Minneapolis to Miami and back to Oakland, more and more people have come to the logical conclusion that one solution to the housing crisis is to settle down in vacant homes seized by banks. Some of these occupations, like those organized by groups like Take Back the Land, are part of an organized resistance to banks and mortgage lenders. Community groups recently joined with Occupy Wall Street protesters to help a homeless family in Brooklyn’s East New York neighborhood move into a foreclosed

home that has sat vacant for three years. Some other “occupations”—as in the case of a woman in Fort Bend County, Texas, facing criminal charges—involve people at the end of their rope merely trying to keep a roof over their head. Indeed, in Las Vegas, which has one of the highest foreclosure rates in the country, some 300 families are evicted each day by the constable’s office, many of them people who have been hanging on to seized homes.

The one place you won’t hear any discussion, much less acknowledgment, of the nation’s spiraling housing affordability crisis is around Washington, DC, by its political class and its media enablers. There the conference rooms and cable news studios echo with talk of deficit reduction via sharp budget cuts, with special relish for so-called discretionary programs like housing assistance. Indeed, in the midst of rising homelessness, rampant joblessness and the lingering foreclosure crisis, Congress recently slashed the federal housing agency’s budget by \$3.8 billion.

“For the past decade federal housing programs have been treading water,” says Doug Rice, a housing policy expert at the Center for Budget and Policy Priorities, “while need among low-income families has grown at an alarming rate.” Indeed, the nation’s housing affordability crunch was severe even before the “lesser depression” struck. Now, amid rising poverty and the anemic recovery-in-name-only, housing-starved Americans face another threat: deeper cutbacks to federal housing assistance as part of the bipartisan obsession with budget deficits. “Today the housing safety net isn’t just frayed,” says Neil Donovan, executive director of the National Coalition for the Homeless. “It’s missing. And still everyone’s being told to walk the tightrope without any net.”

* * *

By nearly any measure, there are fewer and fewer homes affordable to working-class and poor Americans. The federal housing agency’s annual assessment finds that “worst-case housing needs” grew by 42 percent from 2001 to 2009, and nationwide there is a shortfall of nearly 3.5 million housing units for the poorest households. According to Harvard University’s Joint Center for Housing Studies, the share of renter households with the most severe cost burdens—that is, where more than half of income goes to rent and utilities—grew from a fifth to a quarter over the past decade and has doubled in the past half-century. And as household incomes stagnated for most of the past decade and then dropped during the economic crisis, the nation saw its already inadequate stock of cheap rental housing shrink even faster.

Confronting this yawning affordability gap, the government did almost nothing. Congress managed to beat back some of the Bush administration’s more egregious proposals, like converting housing programs into block grants. But a decade later, federal housing aid reaches barely the same number of households, despite population growth and worsening need. This form of malign neglect has also led to the deterioration of much of the nation’s vital public housing stock, where the unpaid maintenance and repair bill tops \$26 billion and translates into leaky roofs, failing boilers, broken windows and the loss of thousands of apartments. In Cleveland, says Davis of the Northeast Ohio Coalition, the repair backlog means that public housing units sit vacant, leaving hundreds of families stranded each year on a waiting list that’s already 11,000 households strong.

In the wake of this lost decade, Congress’s recent cut of \$3.8 billion from the housing budget is the fiscal equivalent of a gut punch. According to the Center for Budget and Policy Priorities, the cutback represents a remarkable 9.2 percent reduction in a budget that is “lower than any [federal housing] budget since 2003, in inflation-adjusted terms.” The programs that took the biggest hits are public housing repair and maintenance, production of affordable homes, and housing assistance for seniors and people with disabilities. And although the largest federal rental assistance program, Housing Choice Vouchers, avoided the most draconian cuts, there’s no doubt that voucher waiting lists will continue to grow nationwide.

The punishing housing budget for 2012 offers a taste of what is to come as a result of the Congressional Republicans' success holding the country hostage during this past summer's debt ceiling standoff. The deal struck to raise the debt ceiling, and the pre-Thanksgiving collapse of the "supercommittee," triggers nine years of cuts to discretionary programs like housing aid. Indeed, according to OMB Watch, beginning in 2013 the budget deal will cut discretionary programs by 14 percent and may lead to a nearly \$6 billion reduction for housing programs.

Although housing assistance takes only one penny of every federal budget dollar, right-wing ideologues since at least the Reagan years have long used "deficit reduction" as a pretext for achieving their dream of eliminating government housing aid. Reagan infamously slashed the housing budget at a time of recession and the emergence of modern homelessness, while the deficit exploded. There's no question that when it comes to housing assistance, the Reagan legacy lives on. This year the Cato Institute outlined a plan to tackle the budget deficit that would, among other things, "terminate" the Department of Housing and Urban Development. And Reagan's Tea Party descendants in Congress promise further chops of the budget ax for housing and other safety net programs.

Among affordable housing advocates, optimism about the coming years is in short supply; the mood is nearer to resigned desperation. As Sheila Crowley, longtime president of the National Low Income Housing Coalition, recently wrote to her members, "I can say with certainty that there has been no time in my memory when the core federal programs that help poor people keep body and soul together have been under such threat." Even the advocates' major victory of recent years—legislation passed in 2008 to create a National Housing Trust Fund aimed at building millions of affordable homes—is still caught in the twin snares of deficit hysteria and the fallout from the foreclosure crisis. Congress has not authorized start-up funding, something unlikely to happen in the current austerity environment, while long-term financing of the trust fund remains uncertain. In the near term, advocates are mostly fighting rear-guard actions, hoping to forestall the most devastating cutbacks and trying to work around Tea Party zealots in Congress.

More controversially, many Beltway homeless advocates and trade associations over much of the past decade have largely abandoned efforts to address the fundamental causes of homelessness. Instead of broad campaigns to tackle the housing affordability crisis, these groups and some large foundations have focused on smaller efforts targeting homeless subpopulations. This narrow approach was championed by the Bush administration's charismatic and divisive "homelessness czar," Phil Mangano, who prioritized programs aimed at the "chronically homeless"—mainly mentally ill long-term street dwellers. Mangano and his trade-group allies hectored states and localities to develop "ten-year plans" to end homelessness but did next to nothing to back up the plans with housing resources. Indeed, Mangano preached the ten-year-plan gospel as the Bush administration was taking the knife to federal housing programs.

Nearly a decade later, there's mounting evidence of the failures of the underfunded ten-year plans, most starkly in the soaring number of homeless children, families and working poor who were largely left out of Mangano's approach. And an emerging chorus of local and national homeless advocates are criticizing the narrow Beltway focus on subpopulations. Donovan of the National Coalition for the Homeless calls it a "cowardly way of not admitting that we're not devoting the resources we need to do the job" and says it's an "abusive way of doing social policy" that fails to address the scope and causes of the homeless crisis.

Sadly, many Obama administration officials have adopted the subpopulations approach, switching the focus of federal homeless policy to military veterans. The 100,000 Homes Campaign, launched in 2010 with corporate and foundation backing, is emblematic of the lingering PR appeal as well as

the fundamental limits of the subpopulations approach. The campaign has been the subject of fawning mainstream press reports, even though its goal of finding 100,000 homes over three years would address the needs of only a small fraction of the estimated 3.5 million Americans who are homeless every year.

Despite the bleak policy landscape and the worsening affordability crisis, many local advocates and people working on the front lines talk about the renewed energy and hope generated by the nascent Occupy movement and the revived national discourse about income inequality. Donovan talks hopefully about the “other 1 percent”—the homeless and poor—saying that the concentration of wealth and power in the hands of the superrich 1 percent is “causing the other 1 percent to agitate, and to show that homeless people are something other than a herded mass. They’re saying, Enough is enough.”

It may be only a flicker of hope, but it appeared to resonate in the first Occupy encampments, from Zuccotti Park to Oakland to the nation’s capital, where poor and homeless people were a significant presence. Donovan tells the story of one Occupy DC participant, who spoke out at an October protest: “This homeless US marine stands up and says, I fought for the entire country. And in the service I was taught not to leave anyone behind. So I say, Don’t house only homeless veterans—house everyone!”

Source URL: <http://www.thenation.com/article/165161/unfathomable-cuts-housing-aid>