

Sequester cuts to deprive over 125,000 households of housing aid

By Thomas Gaist
27 August 2013

Federal spending on housing aid will be cut by more than \$2 billion in 2013 alone as a result of the so-called sequester budget cuts that began July 1. In response to the cutbacks in federal aid, local housing authorities have been forced to stop issuing new vouchers and cut back subsidies, leading low-income families to face eviction.

Housing and Urban Development Secretary Shaun Donovan told Congress in February that 125,000 households across the country will lose out on housing aid as a result of the sequester cuts, and that many of these families face the prospect of homelessness. Data from the Department of Housing and Urban Development show a 32 percent increase in the number of families with children living on the street since 2007.

Programs relied upon by the most vulnerable layers of society, such as the Housing Choice Voucher Program (HCVP), are being decimated by the sequester cuts. The average income of families receiving vouchers through the Housing Choice Voucher Program is \$12,500.

The Department of Housing and Urban Development is offering emergency funds to local housing authorities, but only on the condition that they cease issuing new housing vouchers and freeze their waiting lists.

“Sequestration has been devastating,” Lydia Agro of the Boston Housing Authority in May, told the *Boston Globe*. “We’ve never been in this situation—we’ve never had to cut people off the program.”

The sudden withdrawal of housing aid is having a destructive impact on households across the US. Sudden rent increases force families to choose between housing and other life necessities such as food, medical care, and education. Recipients of housing aid include

many who will be completely unable to adjust to aid cuts, including disabled and elderly individuals.

“It was definitely shocking because the amount is not feasible for me,” Krystal Bearden, a 28-year-old single mother from San Jose, California, who has seen her rent payments increase by almost \$1,000 as a result of the cuts, told the *Financial Times*. “Here I am with six weeks to move into a smaller unit in a less-fortunate part of town, or I can pay my entire month’s income to keep my son stable in his school.”

“The direct impact is on the families who are on the waiting list, who in a normal year would have received a voucher when the voucher became available, but in the current year are not receiving assistance at all, Douglas Rice of the Center on Budget and Policy Priorities told the *Financial Times* .

Municipal housing agencies are scrambling to accommodate the federal cuts, which in many cases amount to 5-6 percent of their annual budget. Eric Johnson, director of the Oakland Housing Authority (OHA), told the *Financial Times* that sequestration cuts prevented his agency from extending assistance to at least 900 families in 2013. The sequester cuts resulted in \$9.1 million worth of reductions to the OHA’s budget. A program that finds housing for homeless people living beneath the Bay Bridge will be axed as a result, along with other aid to the homeless.

The cuts are fatally compromising housing aid programs that are already saturated with many more applicants than they can accommodate. In May, the Metropolitan Boston Housing Partnership had to rescind housing assistance offers to 43 households because of the impact of the sequester cuts, the *Boston Globe* reported, and at least 30,000 households in the Washington-Baltimore area will see their aid withdrawn as a result of the cuts.

California's Santa Clara Housing Authority (SCHA), having lost \$21 million in funds this year, now faces the prospect of eliminating 17,000 renters from its aid rolls, according to the San Jose *Mercury News*. In Los Angeles, 65,000 applicants remain on the waiting list for housing vouchers, while only 1,000 slots open up per year.

SCHA director Alex Sanchez told the *Mercury News*, "We're forced to pit one group of poor people against another group. Seniors versus the disabled. Homeless versus working-poor families. It's an impossible choice with terrible consequences."

"The rental market just doesn't work for these people because they are so far below the poverty level," Sunia Zaterman of the Council of Large Public Housing Authorities told the San Jose *Mercury News*. "That's why for low-income families this is just a disaster, and it's tremendously unfair."

Ed Mayer of the Butte County Housing Authority in California described the situation bluntly to chicoer.com, saying "We begin to look at the prospect of putting people on the street who have no alternative."

The sequester cuts scheduled under in the Budget Control Act of 2011 to begin on January 1, 2013, but were postponed until March 1, 2013 under the American Taxpayer Relief Act of 2012. These austerity policies, totaling \$85 billion in cuts during 2013 alone, represent a savage attack on the social conditions of the working class, including \$9.9 billion in cuts to Medicare, \$840 million in cuts to special education programs, and \$400 million in cuts to Head Start, in addition to the \$2 billion slashed from housing aid. If left in place, the sequester would result in over \$1 trillion in spending cuts over the next decade.

The impact of the cuts extends well beyond housing. On Monday, the office of Head Start officially reported that 57,000 children were cut this year from the Head Start, which provides pre-Kindergarten education for poor families. Head Start's funding was reduced 5.2 percent for the year as a result of the sequester cuts.

Far from calling for an end to the cuts that both parties had previously sought to palm off as inadvertent and arising from political "gridlock," the US political establishment is increasingly calling for the cuts to be made permanent. *Wall Street Journal* editorial board member Stephen Moore summed up the perspective of

the US ruling class when he wrote last week: "The sequester cuts in annual budgets for the military, education, transportation and other discretionary programs have also been an under appreciated success, with none of the anticipated negative consequences." Barack Obama, for his part, has called for replacing the sequester cuts with an even more draconian package of cuts to Medicare, Medicaid, and Social Security.

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