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April 2, 2013

Sequestration Could Deny Rental Assistance To 140,000 Low-Income Families

Cuts Come at Time of Rising Need for Housing Assistance And Will Exacerbate Homelessness

By Douglas Rice

The budget cuts known as "sequestration," initiated on March 1, will likely force state and local housing agencies to cut the number of low-income families using Housing Choice Vouchers to afford housing by roughly 140,000 by early 2014.[1] This represents a sharp break from Congress' bipartisan commitment — which it has met for most of the voucher program's nearly 40-year history — to renew assistance for at least the same number of families from year to year. Thousands of other low-income families using vouchers could face sharp rent increases because of sequestration.

These cuts, which housing agencies have already begun to implement (primarily by failing to reissue vouchers to families on waiting lists when other families leave the program), will fall heavily on vulnerable people. Half of the households in the voucher program include seniors or people with disabilities, while most of the rest are families with children. These households typically have incomes well below the poverty line and cannot afford housing without assistance. Some who will go without assistance face extreme hardship, such as living in homeless shelters.

The cuts come at a time when the number of low-income families in need of housing assistance has been rising substantially, there are long waiting lists for vouchers in almost every community, and homelessness remains a persistent problem.

Since many communities accord priority in issuing vouchers to people who are homeless or at imminent risk of homelessness, these cuts in housing vouchers will exacerbate homelessness. They will do so at the same time that sequestration also will force cuts in the federal grants that communities use to assist homeless people. For instance, funding for Emergency Solutions Grants (ESG), which help support emergency shelters and temporary financial and other types of assistance for at-risk people to avert homelessness or enable them to move from shelters into permanent

[1] For a detailed description of sequestration, see Richard Kogan, "Sequestration by the Numbers," Center on Budget and Policy Priorities, March 22, 2013, http://www.cbpp.org/cms/index.cfm?fa=view&id=3937.

housing, could fall by 34 percent in 2013.[2] As a result, more individuals and families will become homeless, and they will remain homeless longer.

Overall, sequestration will cut more than $2 billion in 2013 from housing assistance and community-development programs administered by the Department of Housing and Urban Development (HUD). While cuts in housing vouchers and homeless assistance will probably have the largest impact on low-income families in the near term, sequestration will also contribute to further losses of public housing, impede the development of affordable housing for low-income seniors and people with disabilities, cause more low-income children to be exposed to lead-based paint in older rental housing, and cut counseling services for families at risk of foreclosure.

Table 1

Funding Levels and Sequestration Cuts in Major Housing and Community Development Programs, 2013 (in millions of dollars, not adjusted for inflation)

Programs	FY 2010	FY 2013	Sequestration cut FY 2013	FY 2013 after sequestration
Housing Choice Vouchers				
Renewals	$16,339	**$17,208**	-$854	**$16,354**
Administration	$1,575	**$1,372**	-$68	**$1,304**
Section 8 Project-Based	$8,558	**$9,321**	-$470	**$8,851**
Public Housing				
Operating Fund	$4,775	**$4,253**	-$199	**$4,054**
Capital Fund	$2,500	**$1,871**	-$94	**$1,777**
Homeless Assistance	$1,865	**$2,029**	-$96	**$1,933**
HOME	$1,825	**$998**	-$50	**$948**
Native American Housing	$700	**$649**	-$33	**$616**
Housing for People with AIDS	$335	**$331**	-$17	**$314**
Section 202 Elderly Housing	$825	**$374**	-$19	**$355**
Section 811 Housing for People with Disabilities	$300	**$165**	-$8	**$157**
CDBG formula	$3,900	**$2,942**	-$147	**$2,795**

Sources: Figures for FY 2013 include 0.2 percent across-the-board reduction in accord with Section 3004 of Public Law 113-6, the recently enacted appropriations bill for the remainder of FY 2013. Sequestration figures are from OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013. Figure for CDBG formula grants in FY 2013, after sequestration, does not include an additional $285 million for disaster relief that could also be used for formula grants.

[2] As explained below, this assumes that HUD will allocate to ESG grants the minimum amount required under law, rather than allocate more than the minimum amount and make deeper cuts in the second category of homeless assistance grants — Continuum of Care grants, which primarily renew rental assistance and supportive services for existing transitional housing for families and permanent supportive housing for formerly homeless people with disabilities.

How Large Will the Sequestration Cuts in Housing Assistance Be?

Sequestration reduces the funding available for each non-exempt program in 2013 by a specific dollar amount calculated by the Office of Management and Budget (OMB). Table 1 shows the sequestration cuts to major HUD housing and community development programs. In many areas — such as housing for seniors and people with disabilities, public housing, and the HOME and Community Development block grants — the sequestration cuts will come on top of funding reductions made over the past several years.

How Will They Affect Low-Income Families That Use or Need Housing Assistance?

The Housing Choice Voucher program helps 2.2 million low-income households to rent modest housing at an affordable cost. Half of these households are headed by seniors or people with disabilities; most of the rest are families with children. On average, these households have incomes of about $12,500, well below the poverty line. HUD, the Government Accountability Office (GAO), and independent researchers have consistently identified the voucher program as a cost-effective means of helping low-income families afford decent, stable housing and avoid homelessness.[3] Because of funding limitations, however, only one in four eligible households receives a housing voucher or some other type of federal rental assistance, and there are long waiting lists for assistance in nearly every community.

Under the policy set by Congress, HUD provides most state and local housing agencies with annual funding to renew housing vouchers based on the number of families that were using vouchers in the prior year and the cost of those vouchers, adjusted for inflation and other factors. For all but two years out of the voucher program's nearly 40-year history, Congress has provided sufficient, or close to sufficient, funding to renew all vouchers in use and thereby to ensure that communities will not suffer a reduction in the number of needy families assisted.

140,000 Fewer Families Likely Will Have Vouchers by Early 2014

Sequestration will reduce funding for the Housing Choice Voucher program by $938 million in calendar year 2013 (the voucher program is funded on a calendar-year basis). This cut, applied against the funds that Congress authorized in the final appropriations legislation for fiscal year 2013, means that housing agencies will receive 6 percent less funding than they need to continue to assist the same number of families in 2013 as in 2012.[4] Housing agencies began to receive reduced funding allocations for April; because the reductions will be retroactive to January 1 and three

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[3] See HUD, "Fiscal Year 2013 Budget Justifications for Estimates, Tenant-Based Rental Assistance," http://portal.hud.gov/hudportal/documents/huddoc?id=tenant-based.pdf; Government Accountability Office, *Federal Housing Assistance, Comparing the Characteristics and Costs of Housing Programs*, GAO Report 02-76; Jill Khadduri, *Housing Vouchers Are Critical for Ending Families Homelessness*, National Alliance to End Homelessness, 2008, http://www.endhomelessness.org/library/entry/housing-vouchers-are-critical-for-ending-family-homelessness; and John Weicher, *Housing Policy at a Crossroads: The Why, How, and Who of Assistance Programs*, AEI Press, 2012. For more on the voucher program, also see "Policy Basics: The Housing Choice Voucher Program," Center on Budget and Policy Priorities, updated January 25, 2013, http://www.cbpp.org/cms/index.cfm?fa=view&id=279.

[4] That is, each agency's funding will be prorated to about 94 percent of the amount for which it is eligible under the renewal formula, according to preliminary calculations by HUD.

months of the year have already passed, the funding shortfall for the remaining months of the year will be closer to 8 percent, on average.[5]

Figure 1
Sequestration Will Create Largest Funding Shortfall on Record for Housing Choice Vouchers

Note: Figures are total new renewal funding divided by total renewal funding eligibility in each year.

Source: Department of Housing and Urban Development.

The severity of the shortfall in voucher renewal funding caused by sequestration is unprecedented in the history of the program.[6] Facing such large shortfalls, agencies will be forced to take steps to reduce program costs quickly, even as they spend down reserves.[7] Most agencies will be unable to avoid instituting measures that adversely affect low-income families.

Many housing agencies are already "shelving" vouchers — that is, not reissuing vouchers to families on the waiting list when families leave the program. Shelving vouchers cuts costs by reducing the number of families assisted over time. Given the depth of the funding shortfalls and the great uncertainty about whether policymakers will restore renewal funding to a more adequate level in the near future, most agencies are likely to follow suit quickly. In addition, some agencies are withdrawing vouchers from families that have recently received them but are still searching for a suitable apartment and thus have not yet begun to use them. Agencies can shelve or withdraw vouchers without notice to or permission from HUD.

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[5] This is because housing agencies were funded at a higher, pre-sequestration rate for the months of January – March, and a deeper proration will therefore be required for the remaining months of the year to ensure that the program remains within the post-sequestration budget for the year as a whole.

[6] Since the program was created in the 1970s, Congress has provided sufficient, or nearly sufficient, funding every year to renew all vouchers in use, with only two exceptions, 2005 and 2006. A series of harmful changes in renewal funding policies initiated in 2004, combined with renewal funding shortfalls in 2005 and 2006, contributed to a substantial decline in voucher usage during that period. See Douglas Rice and Barbara Sard, "Decade of Neglect Has Weakened Federal Low-Income Housing Programs," Center on Budget and Policy Priorities, February 25, 2009, http://www.cbpp.org/cms/index.cfm?fa=view&id=2691. Despite policy improvements and increased funding that Congress enacted beginning in 2007, only about half of the vouchers lost during that period have since been restored to use. The 2013 voucher renewal funding shortfall caused by sequestration will be the deepest on record and, because agencies have relatively few funding reserves in comparison to earlier years, the severity of the effects on low-income families is likely to be considerably worse than in 2004 – 2006.

[7] HUD discusses a menu of options in PIH Notice 2011-28, "Cost-Savings Measures in the Housing Choice Voucher (HCV) Program," http://portal.hud.gov/hudportal/documents/huddoc?id=pih2011-28.pdf. Most housing agencies maintain modest reserves of unspent assistance funds that may be used to address budget shortfalls. We estimate very roughly that one-eighth of housing agencies have funding reserves equal to 4 percent or less of their annual assistance expenditures. Housing agencies may also use administrative funding reserves to cover assistance payments; however, most agencies are likely to need to use these reserves to make up for shortfalls in administrative funding.

Most agencies will likely continue to shelve vouchers so long as their monthly housing assistance costs exceed their monthly renewal funding allocations from HUD, in light of the risk that the funding cuts could extend into 2014. As a result, we estimate that by early next year, agencies' voucher programs are likely to shrink by approximately 140,000 households — primarily seniors, people with disabilities, and families with children.[8]

Yet attrition alone will not fully close budget gaps for agencies with low funding reserves or low rates of voucher turnover. Such agencies could be forced to consider other options, such as terminating assistance for some families. Fortunately, the just-enacted fiscal year 2013 funding law authorizes HUD to allocate a modest amount of funding to prevent terminations of assistance at agencies with shortfalls.[9] This important provision will likely protect thousands of low-income families from losing rental assistance due to terminations, but it may be insufficient to avert terminations entirely.

Many Agencies Will Raise Rents for Families Using Vouchers

Many housing agencies — and particularly those with few reserves or low turnover rates — will also reduce costs by raising the rents paid by families using vouchers. Agencies may do this by reducing the voucher "payment standard," or the maximum amount of rent that voucher assistance will cover. This step forces low-income families to choose between paying more for rent or moving to a lower-cost apartment (if one is available), unless the landlord is willing to accept reduced rent.

When payment standards are cut, families' housing costs can rise sharply. For example, a 10 percent reduction in the payment standard could result in a rent increase of $100 per month (or 33 percent) or more for a typical family. One-fifth of families with vouchers already pay housing costs that exceed 40 percent of their income, a very heavy burden on what are typically meager household resources.[10] Lower payment standards also are likely to steer families into neighborhoods with more crime, lower-performing schools, and less access to jobs. (Because of the detrimental effects on families, agencies must secure HUD's permission to reduce payment standards immediately on

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[8] This assumes that Congress makes no additional funds available for housing vouchers before early 2014. (Unless Congress changes the law, sequestration will continue to apply through 2021, although the mechanics will be somewhat different than in 2013). Our estimate of the number of vouchers lost due to sequestration assumes that agencies will rely entirely on reducing the number of families served to reduce costs, and will spend available reserves to meet budget shortfalls until their programs have shrunk to the size at which post-sequestration funding covers monthly assistance costs. To balance their voucher program budgets — and thereby to mitigate the risk of having to terminate families from the program in early 2014 if additional funding is not made available — housing agencies must reduce their voucher usage by an average of about 7 percent below the early 2013 level, our modeling shows.

[9] The 2013 law sets aside $103 million in voucher renewal funds, primarily to adjust agency allocations for various costs that are not adequately captured by the base renewal eligibility formula, and for "PHAs, that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate participating families from the program due to insufficient funds." HUD has not yet issued guidance with respect to the amount of funds that will be made available for the latter purpose or how the funds will be allocated.

[10] In 2010, 21 percent of households in the voucher program paid more than 40 percent of adjusted income for rent and utility costs, based on CBPP tabulations of HUD administrative data.

families that are already using vouchers or to set payment standards more than 10 percent below HUD's estimate of "fair" rents in the area.[11])

In addition, agencies may impose minimum monthly rent charges on formerly homeless and other families that have little or no income. Agencies are permitted to impose a minimum rent of up to $50 per month, but about one-third of agencies have chosen not to do so.[12] A rent of $50 can be a difficult burden for destitute families.

Sequestration Will Discourage Landlords from Renting to Families Using Vouchers

The sequestration cuts will also have other deleterious effects. The voucher program represents a successful partnership between HUD, housing agencies, and private property owners that is cost effective and expands housing options for low-income families. Yet the risk of terminations (which voids the assistance contract between the owner and the local housing agency) and precipitous reductions in agency payments may discourage owners from continuing to accept voucher holders as tenants, thereby limiting the options available to low-income families.

Sequestration also will come on top of recent cuts in funding for voucher program administration; indeed, housing agencies will receive only about 70 percent of the administrative funds for which they are eligible this year. At such low funding levels, agencies will struggle to complete the property inspections that federal law requires, delaying the remedy of potentially serious problems in apartments that families have already rented. Staff shortages may also weaken procedures to verify household income and other information that determines the amount of a family's subsidy, resulting in an uptick in subsidy errors that could raise program costs.

Homeless Assistance Will Also Be Cut, Even as Voucher Cuts Worsen Homelessness

Housing vouchers are an essential tool for preventing homelessness and helping families in emergency shelters and other types of temporary housing to move into stable, permanent housing.[13] Indeed, many communities prioritize homeless individuals and families for receipt of vouchers. As agencies shelve vouchers in response to sequestration cuts, the number of vouchers available to families that are homeless or at imminent risk of homelessness will shrink dramatically, lengthening the amount of time that families remain homeless and causing other homeless families to be turned away from emergency shelters because they are full.

At the same time, sequestration will cut $96 million from the grants that communities use to assist homeless people, leaving $1.93 billion for fiscal year 2013. Under the terms of the final fiscal year 2013 funding law, at least $190 million of this amount must be allocated this year as Emergency

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[11] Without a waiver from HUD, payment standard reductions apply immediately only to newly admitted families or families that move and therefore enter into a new rental contract. For currently assisted families that remain in place, the reduction applies only upon their second annual reexamination, which would typically not occur for 13 to 23 months.

[12] Center on Budget and Policy Priorities analysis of HUD administrative data for 2010.

[13] See Khadduri (2008), op cit.

Solutions Grants (ESGs), leaving a maximum of $1.74 billion for the renewal of Continuum of Care (CoC) grants.[14]

At the minimum funding level of $190 million, ESGs would be 34 percent below the amount provided in 2012. Local communities use ESG funds to operate emergency shelters and to provide temporary rental assistance, financial assistance, or other services to help at-risk families avoid homelessness and to re-house families living in shelters. Facing a 34 percent reduction in federal funds, communities will be forced to either close down shelters or cut back efforts to prevent homelessness or re-house homeless families. Because a large share of shelter operations are fixed costs, communities may be more likely to reduce other forms of assistance, which would result in more families becoming homeless and families remaining in shelters for longer periods.

HUD could choose to distribute more than $190 million for ESG grants, but it could do so only by reducing funding for CoC grants, which are used largely to renew rental assistance and supportive services for existing permanent and transitional housing for formerly homeless people with disabilities and families with children. CoC grants for permanent supportive housing have played an important role in reducing "chronic homelessness" — that is, the number of homeless individuals with mental or physical disabilities who live on the streets for extended periods.[15]

In its fiscal year 2013 budget request, HUD estimated that between $1.81 billion and $1.92 billion will be needed to renew funding for existing CoC housing programs.[16] This means that, even at the maximum level of $1.74 billion, as much as $180 million in CoC grants would likely not be renewed. As a result, tens of thousands of homeless people could lose access to the rental assistance and services they need to maintain stable homes. These cuts, which threaten to undercut recent progress in reducing chronic homelessness, will be even deeper if HUD chooses to mitigate the cuts in ESG grants by shrinking the share set aside for CoC grants.

Sequestration Cuts Will Worsen the Affordability Crunch for Low-Income Renters

The sequestration cuts come at a time when growing numbers of low-income households face serious housing affordability problems. The number of unassisted renters with "worst-case housing needs" — that is, the number of renters with incomes below 50 percent of the median income in the local area who either paid more than half of their income for housing or lived in severely substandard housing — has risen by 43 percent since 2007, to 8.5 million households, according to a new HUD analysis of Census data.

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[14] The final 2013 law provides $2.03 billion for homeless assistance. After sequestration, $1.93 billion will be available. This is an increase of $32 million above the 2012 funding level. However, as explained below, the cost of renewing existing CoC grants for fiscal year 2013 will be significantly higher than $1.74 billion, according to estimates released in HUD's budget justifications.

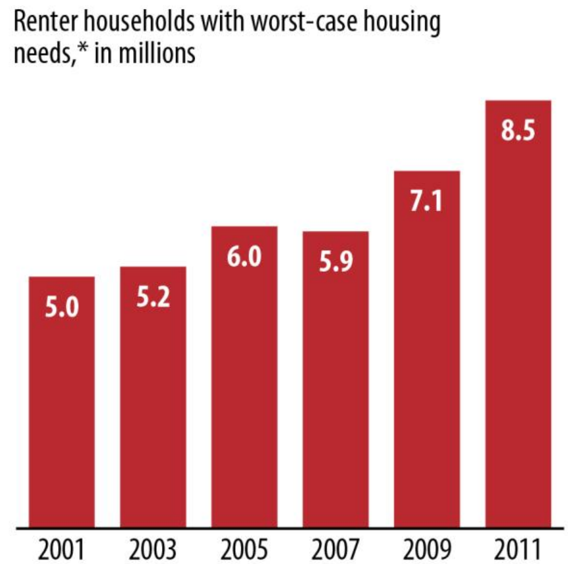
[15] HUD, "The 2011 Annual Homeless Assessment Report to Congress," November 2012, https://www.onecpd.info/resource/1966/2011-ahar-to-congress-and-supplemental-reports/.

[16] Because CoC grants require a more extensive application procedure, funding for fiscal year 2013 will be awarded in 2014; this is in contrast to ESG grants, which will likely be allocated via formula in the summer of 2013.

With the gap between rental costs and the incomes of poorer households continuing to grow, homelessness remains a persistent problem. About 1.5 million Americans spend some time in emergency or temporary shelters every year. While there has been recent progress in reducing chronic homelessness, the number of homeless families with children has grown sharply since the beginning of the Great Recession: since 2007, the number of families with children living in shelters and other emergency housing has increased by an estimated 32 percent.[17]

The effects of high housing costs on low-income renters — particularly children — can be severe and enduring. When housing costs are unaffordable, low-income households have insufficient income to cover other basic needs, such as food, clothing, medications, child care, and transportation, and they are unable to save or invest in education to help lift themselves out of poverty.[18] Research also shows that housing instability and homelessness interfere with the healthy development of children in ways that have a lasting impact, including hindering children's educational success and thereby reducing their future earnings as adults.[19]

Figure 2
Unmet Need for Rental Assistance Has Soared



*HUD defines households with "worst-case housing needs" as renters who have incomes below half of the local median, receive no housing assistance, and pay more than half of their income for rent and utilities or live in severely substandard housing.

Source: Worst Case Needs 2011: Report to Congress – Summary, HUD, February 2013

Sequestration Will Deepen Recent Cuts in Other Areas, Undermining Key Goals of Federal Housing Policy

Sequestration cuts in housing vouchers and homeless assistance will probably have the largest and most immediate impact on low-income families. Yet the harmful effects of sequestration in other important areas will also become evident over time, including reducing the production of new affordable housing for low-income seniors and people with disabilities. Sequestration also will result in cutbacks in efforts to mitigate the exposure of low-income children to lead-based paint in older

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[17] HUD, "The 2011 Annual Homeless Assessment Report to Congress," *ibid.,* and HUD homeless assessment reports from earlier years.

[18] Joint Center for Housing Studies of Harvard University, "America's Rental Housing: Meeting Challenges, Building on Opportunities," April, 2011, p. 5 and table A-9, http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/americasrentalhousing-2011.pdf.

[19] Diana Becker Cutts, M.D., "US Housing Insecurity and the Health of Very Young Children," *American Journal of Public Health,* August 2011, Vol. 101, No. 8, p. 1508; Greg J. Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," *Pathways,* Winter 2011, http://www.stanford.edu/group/scspi/_media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf.

rental housing and in housing counseling services that help families avoid foreclosure on their homes.

Sequestration will also strike a blow to public housing, which provides decent, affordable housing to 1 million low-income households. More than half of these households are seniors or people with disabilities, while most of the rest are families with children.[20]

The federal government provides subsidies to fill the gap between the rents that low-income families living in public housing can afford and the cost of operating and maintaining public housing developments. These subsidies are provided largely through two streams: the Operating Fund (to cover the costs of handling admissions, maintenance, security, utilities, etc.) and the Capital Fund (for major repairs and renovations).

While the vast majority of public housing developments meet or exceed federal housing quality standards, chronic underfunding has created a large backlog of repair, renovation, and other capital investment needs. A 2010 HUD-sponsored report found that public housing developments had accumulated a $26 billion backlog of capital needs, and that as of 2012, annual capital funding has fallen by $2 billion, or more than 50 percent, in inflation-adjusted terms since 2001.

Even before sequestration, the fiscal year 2013 appropriation would continue the deep shortfalls in public housing operating funding.[21] Sequestration will extend and deepen these shortfalls, causing living conditions for more low-income families to deteriorate and the loss of affordable units (due to lack of repairs and maintenance) to accelerate. After sequestration, housing agencies will receive just 83 percent of the funds they require to operate their developments adequately in 2013, according to HUD's preliminary estimate. Moreover, agencies will receive just $1.78 billion from the Capital Fund, only about half of the amount they need just to cover the *new* repair and renovation needs likely to develop this year.

When federal funding is inadequate, some agencies can make ends meet by drawing on reserves or reducing unnecessary administrative costs. Following many years of underfunding, however, the remaining opportunities for such relatively painless measures have dwindled.

Instead, many agencies will be forced to raise revenue or reduce expenses through steps that have significant harmful consequences for low-income families. Agencies cannot institute across-the-board increases in rents, which are generally capped at 30 percent of household income. Agencies can generate added revenues, however, by passing more utility costs on to tenants,[22] raising fees for

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[20] "Policy Basics: Introduction to Public Housing," Center on Budget and Policy Priorities, updated January 25, 2013, http://www.cbpp.org/cms/index.cfm?fa=view&id=2528.

[21] In the 2012 funding cycle, Congress reduced funding for public housing operations to $3.96 billion, approximately $1 billion below the total amounts for which agencies were eligible under HUD formulas, and directed HUD to reduce funding for agencies with large reserves of unspent funds. As those agencies have likely spent down most of their "excess" reserves, this policy could not be repeated in 2013. Yet the final 2013 appropriations law increased funding only to $4.25 billion, filling less than half of the gap created by the 2012 "reserve offset." Sequestration will reduce this funding amount by $199 million, to just $4.05 billion, well below the $4.9 billion that HUD believes is needed to operate these properties adequately.

[22] The 30 percent cap on tenant payments covers "reasonable" utility costs along with rents. Agencies have broad discretion, however, to pass utility charges on to residents by setting low allowances for tenant-paid utilities or, in

parking and other services, or exercising their discretion to set minimum rents of up to $50 a month on the lowest-income families. In addition, when tenants move out, agencies can opt to rent their units to families with somewhat higher incomes since those families can afford higher rents, even though they have less need for housing assistance than lower-income families.

Agencies will also likely cope with shortfalls by cutting back spending in areas such as security and maintenance. Major maintenance cutbacks, however, could cause living conditions to deteriorate and leave serious safety hazards undressed, such as broken fire sprinklers or defective elevators in high-rise developments. In addition, if agencies cut back on maintenance of building grounds and exteriors, this could lead to blight that would harm surrounding communities. Deferring some types of repairs, such as patching leaky roofs, could result in higher costs down the road.

Ultimately, if Congress fails to provide adequate resources for operations and renovation year after year, many public housing developments will deteriorate to the point that they are no longer habitable and be lost as affordable housing. Already, more than 260,000 public housing units have been demolished or otherwise removed from the stock since the mid-1990s.

Conclusion

The Bowles-Simpson commission and some other major bipartisan groups that have examined the nation's long-term fiscal challenges have espoused the principle that deficit-reduction efforts should not increase poverty or exacerbate hardship for vulnerable Americans. This year's sequestration violates this principle, forcing deep and indiscriminate cuts in non-defense discretionary programs. Approximately one-quarter of non-defense discretionary funding supports programs targeted on low-income families and individuals, including housing assistance. Cuts in non-defense discretionary programs have already made a large contribution to deficit reduction: under the tight spending caps established by the Budget Control Act, non-defense discretionary funding will fall by roughly $900 billion from 2012 to 2021(relative to its 2010 levels adjusted for inflation), reaching its lowest level on record as a share of GDP (in data that go back to 1962).

Sequestration deepens these cuts. If Congress fails to reverse them, low-income families will experience a significant loss of rental assistance, and more individuals and families will likely experience lengthy periods of housing instability and homelessness, compromising their children's chances to develop into healthy and productive adults. To avert these consequences, Congress should reverse sequestration for 2013 and future years and pursue alternative deficit reduction measures that, among other things, will protect low-income individuals and families.

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buildings with agency-paid utilities, imposing surcharges on families who have air conditioners or certain other appliances.