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**Wellesley Institute backgrounder:**

## **U.S. homeless czar Mangano preaches local action as U.S. federal government cuts funding**

Philip Mangano, Executive Director of the U.S. Interagency Council on Homelessness, is a keynote speaker at the 2007 Canadian Housing and Renewal Association conference. His message that local communities should take up the responsibility for housing and homelessness even as the U.S. federal government cuts its role is familiar to Canadians after two decades of federal cost-cutting and downloading in this country.

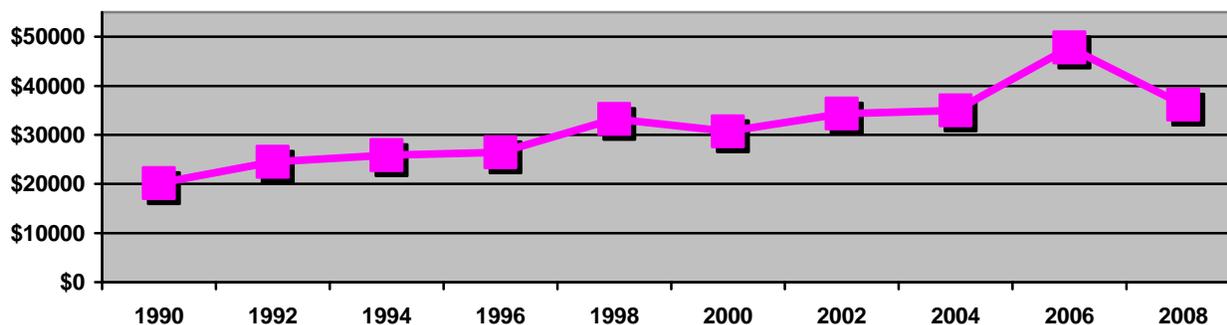
U.S. President George W. Bush's homeless czar, Philip Mangano, has done a solid sales job convincing 300 municipal and state governments to adopt 10-year plans to end chronic homelessness. He has failed to convince his own boss, President Bush, to deliver the housing dollars and programs to support those plans. Local communities get lots of encouragement, but limited practical support. The Bush administration's FY2008 budget offers even more cuts to seniors' supportive housing, housing for disabled persons and family housing for the military. Mangano is Executive Director of the United States Interagency Council on Homelessness (ICH), which includes 20 senior Bush administration officials. It is supposed to develop "a comprehensive federal approach to end homelessness". Despite its high-powered membership, the ICH has failed to slow the federal housing erosion.

- The Bush administration's FY2008 budget for HUD is set at **\$36.1 billion, down from the \$52.4 billion** in FY2006. If the Bush budget plan is adopted, disabled housing will be cut from \$237 million to \$125 million; seniors' supportive housing will drop from \$735 million to \$575 million. "Over the past six years, President Bush and I have remained committed to HUD's noble charge," said HUD Secretary Alfonso Jackson, a member of ICH, as he introduced the funding cuts<sup>1</sup>.
- Even those programs that haven't been cut fall **short of the need**. Housing Opportunities for Persons With AIDS (HOPWA) is flat-lined at \$300 million. More than 500,000 people living with HIV / AIDS need housing assistance, yet HOPWA supports only 67,000 households<sup>2</sup>.
- The second-biggest U.S. housing program ("Section 8") is frozen at \$14.4 billion. Rising costs set in a tightly-capped budget means that **as many as 80,000 households could lose their housing vouchers in 2008**<sup>3</sup>. Another 2.8 million extremely low-income renter households are waiting for help<sup>4</sup>, with no hope for relief in the Bush budget. Democratic legislators have promised to increase housing spending by \$12.3 billion. The Bush administration has yet to offer its support<sup>5</sup>.
- The biggest U.S. housing subsidy is mortgage interest deductibility, which handed out almost \$80 billion in 2006. More than half went to the richest 15% of Americans (more than the entire HUD

budget), prompting critics to call it “McMansion” since the **most money goes to the biggest mortgages**. The poorest one-third, those with the greatest need, received just 4%<sup>6</sup>.

- The FY2008 U.S. defense budget includes almost two-thirds of a trillion dollars, yet Bush is proposing a **billion-dollar cut in family housing for the military** – down from \$3.89 to \$2.9 billion. U.S. Defense Secretary Robert Gates is a member of ICH<sup>7</sup>.
- Housing insecurity remains deep in the United States. In 2004, almost one-in-four households faced troubles: 15.8 million were “severely burdened” and another 19 million were “moderately burdened.” The most recent *State of the Nation’s Housing* from Harvard University’s Joint Centre for Housing Studies concludes: “**Housing affordability problems are intensifying... Prospects for a turnaround are bleak**. After nearly 20 years of increases, growth in federal housing assistance ground to a halt in the second half of the 1990s. The federal government, which has historically provided the lion’s share of subsidies, now faces a massive budget deficit and is looking for ways to fund the rising costs of international and domestic security.”<sup>8</sup>

**U.S. federal housing spending<sup>9</sup> (in millions)**



### Comparing Canada and the United States:

The Mangano campaign to encourage local governments to pick up the responsibility for housing and homelessness while federal funding and programs are eroded is familiar to Canadians. There have been massive housing funding cuts by successive Canadian federal governments starting in the mid-1980s and continuing into the 1990s. The 1996 federal budget started the download of housing to the provinces and territories. During the 1990s, most provinces cut hundreds of millions in housing funding, and some (such as Ontario) downloaded housing responsibility to municipalities.

The Wellesley Institute’s **Blueprint to End Homelessness in Toronto** is a practical and cost-effective plan that sets realistic targets. It calls on senior levels of government to assume their fair share of responsibility for housing and homelessness initiatives.



<sup>1</sup> United States Office of Management and Budget, FY2008 Budget  
<sup>2</sup> Findings from U.S. National Housing and HIV/AIDS Research Summit Series  
<sup>3</sup> U.S. Representative John Olver (D-MA), Chair of the House Appropriations THUD Committee, March 27, 2007  
<sup>4</sup> U.S. National Low Income Housing Coalition, Letter to House Budget Committee, March 26, 2007  
<sup>5</sup> U.S. National Low Income Housing Coalition, March 2007  
<sup>6</sup> The Tax Foundation, 2006  
<sup>7</sup> United States Office of Management and Budget, FY 2008 Budget  
<sup>8</sup> The State of the Nation’s Housing, 2006, Joint Centre for Housing Studies of Harvard University  
<sup>9</sup> United States Office of Management of Budget, Historical Tables (Note: the spike in FY2006 spending included a one-time only allocation for re-building after Hurricane Katrina.)