

NLIHC'S ANALYSIS OF PRESIDENT TRUMP'S FISCAL YEAR (FY) 2027 BUDGET REQUEST FOR HUD PROGRAMS



OVERVIEW

President Donald Trump and HUD Secretary Scott Turner released on April 3 a fiscal year (FY) 2027 [budget request](#) calling for an overall 10 percent cut to non-defense programs, including a cut of at least \$3.8 billion dollars to HUD's vital affordable housing, homelessness, and community development programs. The White House [requested](#) \$73.5 billion in funding for HUD in the coming fiscal year, a roughly five percent cut from the \$77.3 billion for HUD programs Congress provided in the [final FY26 budget](#). See NLIHC's updated [budget chart](#) for an overview of funding levels for select HUD programs.

While the FY27 budget request does not include the extreme changes and staggering cuts to rental assistance programs proposed in last year's budget request, it does include language prohibiting Public Housing Agencies (PHAs) from issuing "any new vouchers or otherwise [assisting] new families," including through Project-Based Vouchers (PBVs), "except vouchers for HUD-Veterans Affairs Supportive Housing (HUD-VASH) and the family unification program." The request also includes significant changes to HUD's Homeless Assistance Grant (HAG) program that, if enacted, would radically change the way communities can respond to the needs of people experiencing homelessness, shifting funding from permanent housing with supportive services, and towards less effective, more costly measures like short-term shelters and transitional housing.

Despite bipartisan consensus that more must be done to boost the country's supply of affordable housing, the request would zero out funding for several programs that help finance the construction and preservation of affordable homes, including the HOME Investment Partnership program (HOME), Community Development Block Grant (CDBG) program, and the Native Hawaiian Housing Block Grant program, among others. In addition, the proposal would impose work requirements and time limits on households receiving HUD rental assistance, and directs \$30 million towards a new Program Integrity Initiative, dedicated to "[fighting] fraud, waste, and abuse of Federal housing programs."

DETAILED ANALYSIS

Work Requirements & Time Limits on HUD-Assisted Households

The President's budget request would impose work requirements and time limits on households receiving HUD rental assistance, and replace the existing community service requirement so that non-exempt individuals would have to perform an average of at least 20 hours of approved work activities per week. The request would also establish a five-year limit on assistance. Both provisions would include exemptions for children under 18, adults over 62, people with disabilities and primary caretakers for people with disabilities, students,

and veterans receiving HUD-VASH assistance “who are actively participating in any mental health, substance abuse, rehabilitation, or recovery program prescribed or recommended by a Department of Veterans Affairs medical professional or case manager.” The request states that these policies would be effective upon HUD publishing regulations or a notice implementing these policies.

Federal rental assistance is a vital tool to combat the affordable housing crisis, helping families afford the cost of rent and freeing up more income for other necessities. Most people who receive HUD assistance work, but many working families still need rental assistance because [wages have not kept up](#) with housing costs. Those who do not work are overwhelmingly people with disabilities, older adults, and caregivers, including parents of young children. Work requirements and time limits increase bureaucratic barriers to finding and maintaining needed assistance; if implemented, this proposal would [lead to more](#) individuals and families losing their assistance and facing eviction and, in worst cases, homelessness.

Tenant-Based Rental Assistance

The President’s budget request includes a \$608 million increase (\$35.56 billion total) for the renewal of Tenant-Based Rental Assistance (TBRA) contracts, which includes HUD’s Housing Choice Voucher (HCV) program. While a positive change from the massive cuts to rental assistance programs included in the administration’s FY26 proposal, this increase would still be vastly insufficient to ensure full renewal of all existing TBRA contracts. Because the cost of rent rises every year, flat funding, or insufficient funding increases, for rental assistance programs act as a cut, reducing the number of families served and the number of available vouchers.

The FY27 budget request would provide \$300 million for Tenant Protection Vouchers (TPVs), a \$299 million decrease from the final FY26 HUD spending bill, and allocate \$2.95 billion to cover the cost of administering TBRA, an increase of \$115 million from the final FY26 spending bill. The proposal would provide level funding for the Tribal-VASH program, \$10 million, and for the Family Unification Program (FUP), \$30 million. The \$30 million in FUP funding would be used for the Melania Trump Foster Youth to Independence Initiative, targeting vouchers to people between 18-24 years old who are leaving or will soon leave foster care and are at risk of homelessness.

However, the budget request also includes language that would prohibit Public Housing Agencies (PHAs) from issuing “any new vouchers or otherwise [assisting] new families,” including through Project-Based Vouchers (PBVs), “except vouchers for HUD-Veterans Affairs Supportive Housing (HUD-VASH) and the family unification program.” The budget does not request additional funding to expand the availability of HUD-VASH assistance to more veterans.

Additional funding needed for Emergency Housing Voucher recipients in FY27

In addition to the need for increased funding in FY27 to cover the cost of renewals for TBRA contracts, Congress will need to provide funding to ensure the remaining families who receive an Emergency Housing Voucher (EHV) do not lose their assistance. The [EHV program](#) has been extremely successful, helping over 70,000 people and families who had

previously been experiencing or at immediate risk of homelessness find and maintain stable housing. While funding for the program was authorized to last until 2030, the rapid increase in the cost of rent over the last five years has caused funding to run out much more quickly than expected.

Congress provided a significant boost to TPV funding in the final FY26 bill to help PHAs continue serving families with expiring EHV, and should ensure the FY27 spending bill has enough funding to ensure these families do not lose the assistance they rely on for a safe, stable home.

Homelessness Assistance

Like last year's request, the FY27 request would eliminate the Continuum of Care ([CoC](#)) program under HUD's Homeless Assistance Grants (HAG) account, and provides no funding for the construction of new Permanent Supportive Housing (PSH), for the Youth Homelessness Demonstration Project (YDHP), or for the National Homeless Data Analysis Project (NHDAP). The NHDAP is responsible for producing the Annual Homelessness Assessment Report ([AHAR](#)), HUD's annual report providing an estimate of the number of people experiencing homelessness across the nation.

The President's request would instead allocate \$4.02 billion for HAG, a \$397 million decrease from the final FY26 spending bill, and reframe HAG as "an expanded emergency solutions grants program." Under the proposal, funding would be used to provide emergency and transitional housing assistance rather than more effective assistance like permanent housing and supportive services, which are [shown](#) to successfully address the long-term housing needs of people experiencing homelessness. If enacted, the changes outlined in the budget request would severely impact communities' ability to prevent and end homelessness, and to respond to the unique needs of the people being served.

Public Housing

The proposal would provide flat funding of \$3.2 billion for HUD's public housing capital needs, including flat funding for emergency and disaster grants (\$30 million), but would not include funding for Residential Health Hazards Grants, which received \$50 million in the final FY26 spending bill. The FY27 budget request would increase funding for HUD's Public Housing Operating Fund by \$353 million from the final FY26 spending bill, to \$5.37 billion.

Public housing is a vital source of deeply affordable housing, but decades of underfunding have allowed the nation's public housing stock to fall into disrepair, with some studies estimating it could take as much as \$169 billion to fully address the capital needs backlog in public housing. While annual increases are necessary to maintain current assistance, Congress should also provide the large-scale investments that would be required to ensure all public housing is safe, quality, affordable, and accessible.

Native Housing

The President's FY27 budget request would make significant cuts to housing and community development programs serving Native communities. The request would cut funding for the Indian Housing Block Grant (IHBG) program by \$239 million from FY26, for a total of \$872 million. It would not provide funding for the IHBG-Competitive program, which received \$125

million in FY26, or the Native Hawaiian Housing Block Grant program, which received \$22.3 million in the final FY26 spending bill. The budget request would only provide \$5 million for the Indian Community Development Block Grant program, a \$95 million decrease from the previous year.

Project-Based Rental Assistance

The budget request would provide \$17.6 billion for Project-Based Rental Assistance (PBRA) contract renewals, a decrease of \$903 million from the FY26 spending bill. As with the TBRA program, it is essential that PBRA receive increased funding every year to maintain current levels of assistance; funding cuts will reduce the number of households served and put people at risk of losing the assistance they rely on for a safe, stable home. Moreover, PBRA provides essential funding to help developers afford the cost of building, operating, and maintaining deeply affordable housing; cuts to PBRA funding will make it more difficult for communities to meet the housing supply needs of households with the lowest incomes.

Section 202 & Section 811

HUD's Section 202 Housing for the Elderly program, which funds affordable, accessible housing for older adults, would receive \$959 million in the President's FY27 budget request, a \$72 million decrease from Congress's FY26 spending bill for HUD programs. This includes \$122 million for service coordinator contracts, flat funding from FY26.

The Section 811 Housing for Persons with Disabilities program, which funds affordable, accessible housing and supportive services to ensure people with disabilities can live in communities rather than institutional settings, would receive \$266 million in the budget request, a \$21 million decrease from the FY26 appropriations bill.

As with other rental assistance programs, it is crucial that Section 202 and Section 811 receive increased funding every year to maintain the number of households served by these vital programs. Cuts to funding will decrease the number of people served by these vital programs; moreover, like PBRA, Section 202 and Section 811 provide funding to communities to help build, operate, and preserve deeply affordable, accessible homes for people with the lowest incomes. Cuts to these programs would stymie efforts to increase the supply of affordable, accessible homes in communities across the country.

Eviction Protection Grant Program

The Eviction Protection Grant Program (EPGP) would not receive funding in the President's FY27 budget request; the request would also cancel \$20 million in unobligated EPGP funding, as well as \$100,000 in unobligated funding from HUD's Research and Technology account. The EPGP program received \$7.5 million in FY26 to help communities expand legal assistance for households facing or at-risk of eviction.

Community Development Funds

The FY27 budget request would not fund programs under HUD's Community Development Fund, including CDBG, and would cancel \$100 million in unobligated funding for the Pathways to Removing Obstacles (PRO) Housing Competition grant program, which helps communities identify and remove barriers to affordable housing construction and

preservation. CBDG received \$3.3 billion for its formula grants program and \$3.61 billion for its Economic Development Initiatives program (also known as “earmarks”) in FY26, while the PRO-Housing Competition received \$50 million.

HOME Investment Partnership Program

The HOME program, which Congress provided with \$1.25 billion in FY26, would not receive funding under the President’s FY27 budget request. Communities use HOME funding for a wide range of housing activities, including building or preserving affordable housing. Failing to fund the HOME program would make it more difficult for communities to build affordable housing.

Fair Housing

The budget request would make significant cuts to programs under HUD’s Office of Fair Housing and Equal Opportunity, including zeroing out the Fair Housing Initiatives Program (FHIP), which provides grants to state and local fair housing organizations to conduct fair housing testing, investigations, education, and outreach. FHIP received \$56 million in the final FY26 budget.

The budget request would provide \$26 million for the Fair Housing Assistance Program (FHAP), a decrease of \$400,000 from the FY26 budget. FHAP funds state and local agencies responsible for processing Fair Housing Act complaints.

Other HUD Programs

HUD’s Housing Opportunities for Persons with AIDS (HOPWA) program would not receive funding under the President’s FY27 budget request. Congress provided the program with \$529 million in the most recent spending bill.

The Preservation & Reinvestment Initiative for Community Enhancement (PRICE) program did not receive funding in the budget request; the request would also cancel \$20 million in unobligated PRICE funding from previous years. The PRICE program, which provides grants to help preserve and improve manufactured housing and manufactured housing communities, did not receive additional funding in the final FY26 HUD spending bill.

The President’s FY27 budget request would eliminate three separate programs - the Self-Help Homeownership Opportunity Program (SHOP), Capacity Building for Community Development, and Rural Capacity Building programs - and replace them with a single \$16 million grant to Habitat for Humanity to fund activities, including assisting low-income homebuyers willing to contribute sweat equity towards the construction of their houses, and increasing the capacity of local affiliates to promote affordable housing and community development.

Housing Counseling Assistance, which funds services like financial management, budget and credit counseling, fair housing education, and homebuyer education to help people meet their housing and homeownership goals, would not receive funding in the President’s FY27 budget request. Congress provided \$57.5 million for Housing Counseling Assistance in the previous year’s spending bill.

Funding for the Lead Hazard Reduction and Health Homes Grant program would be significantly reduced to \$110 million, a cut of \$186 million from the final FY26 spending bill.

The President's FY27 budget does not request funding for the US Interagency Council on Homelessness (USICH), which received \$3 million in FY26.

Program Integrity Initiative

The FY27 budget request proposes \$30 million to fund a new Program Integrity Initiative, dedicated to "fight fraud, waste, and abuse of Federal housing programs." The funding would purportedly be used to "enhance the financial reporting, visibility, and oversight of recipients and subrecipients of HUD assistance," including "to prevent Federal rental assistance going to deceased tenants and ineligible non-citizens, and eliminate funding to entities that use funding to proselytize woke agendas."

For questions or more information, please contact outreach@nlihc.org.