

2.05 All About HUD: Impact of Federal Policy Shifts on Key Housing Programs



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The U.S. Department of Housing and Urban Development (HUD) plays a critical role in the federal government's response to addressing homelessness. Come learn about how policy shifts in the new administration are impacting HUD's Homeless Assistance Grants programs and other key housing programs, like Housing Choice Vouchers.



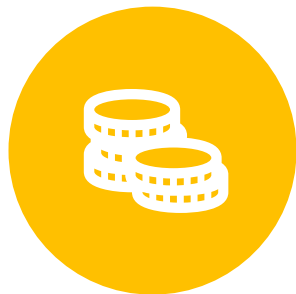
Agenda



Overview of Executive Orders and Administrative Actions Impacting HUD Programs



Impact of President's FY2026 Budget Request

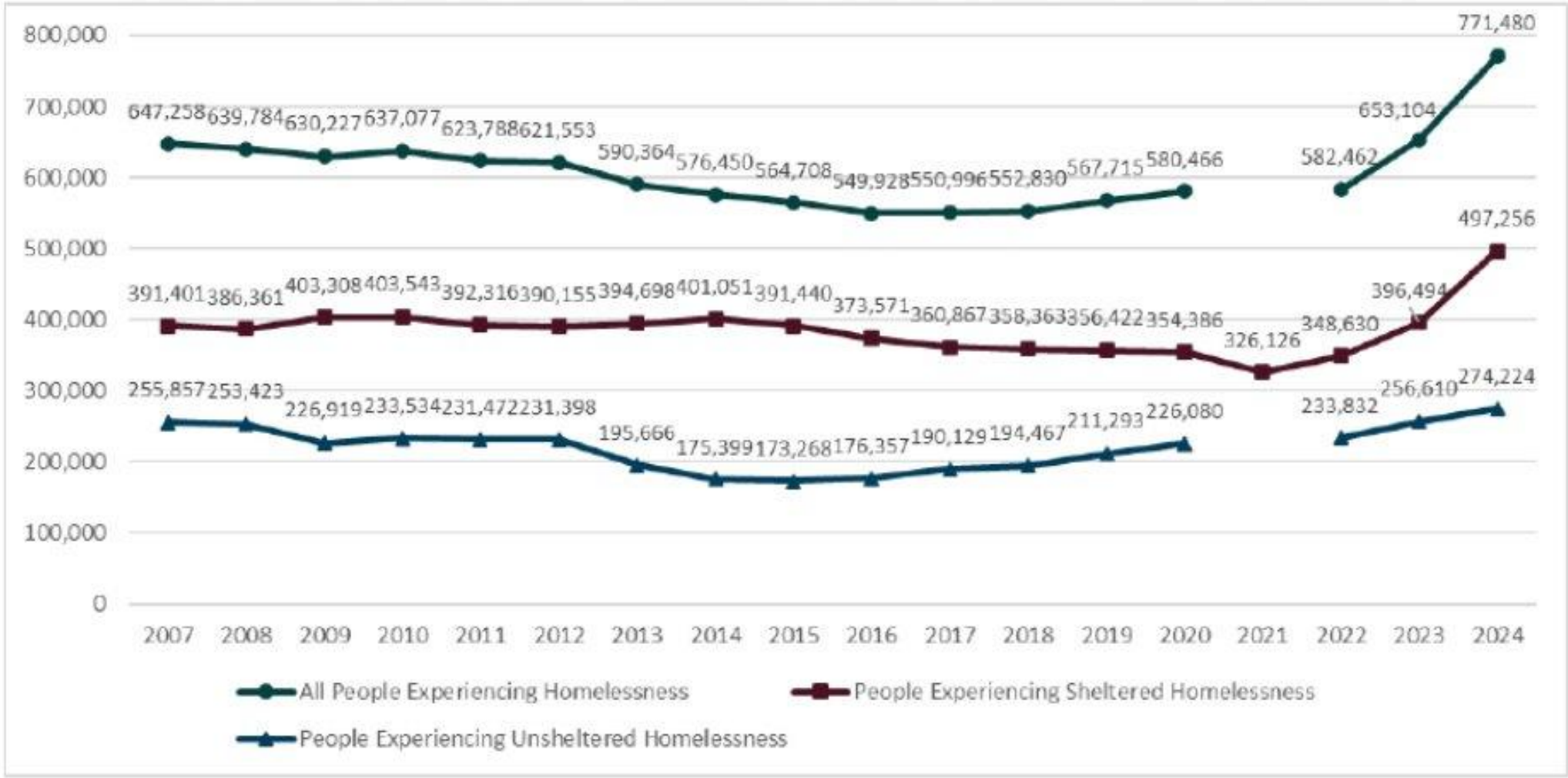


Responsible Budget Asks for HUD Programs for FY2026



Opportunities for Action

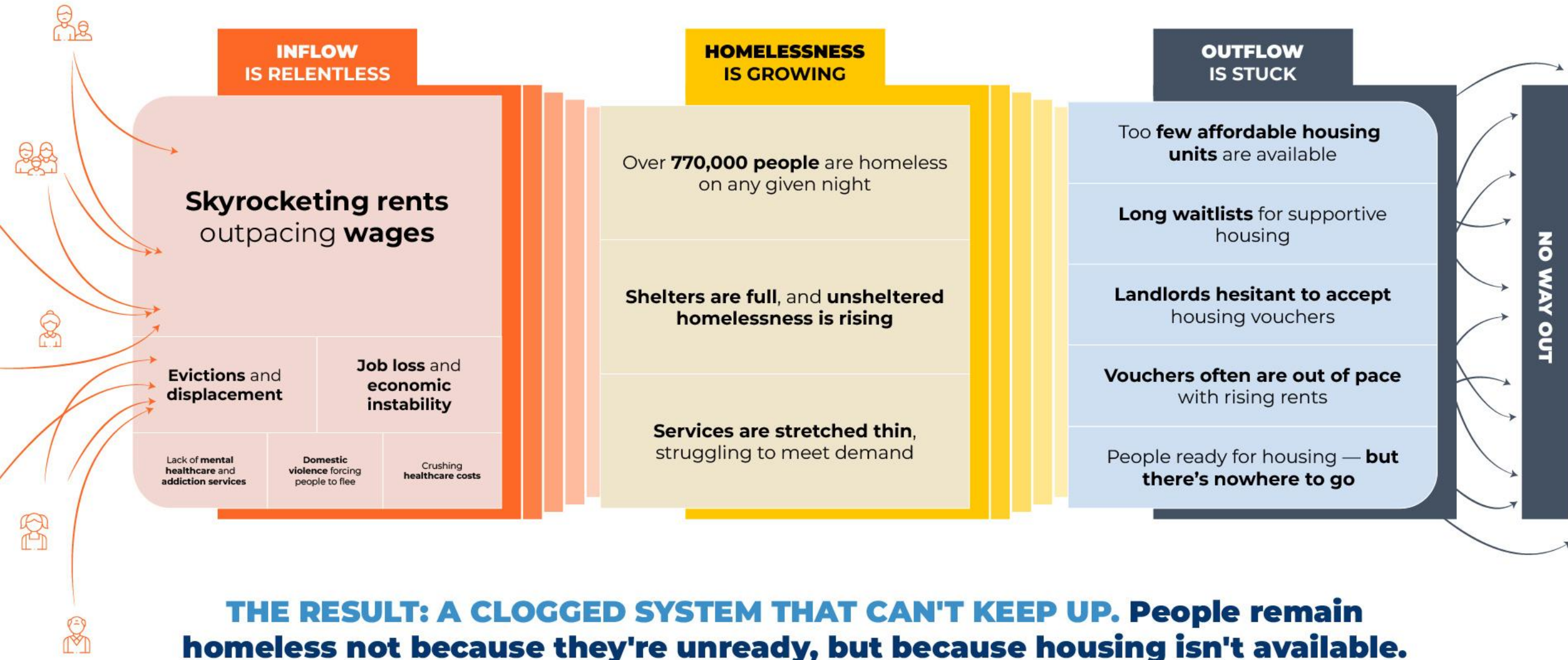
Exhibit 1-1: PIT Estimates of People Experiencing Homelessness by Sheltered Status, 2007-2024



Ending Homelessness is Possible.



Every year, **HUNDREDS OF THOUSANDS OF PEOPLE FALL INTO HOMELESSNESS** — faster than the homeless service system can help them.

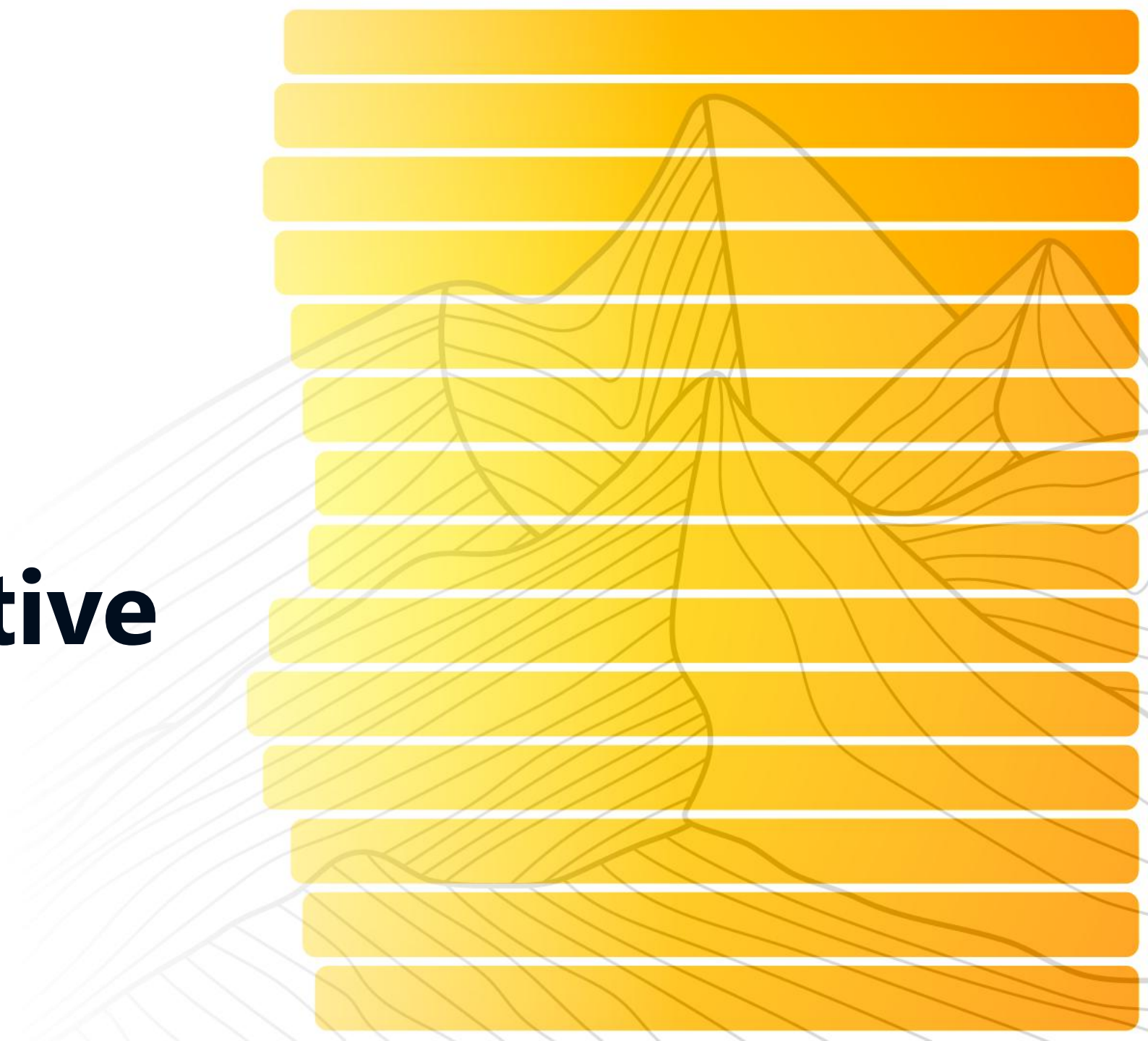


When housing is affordable, FEWER PEOPLE FALL INTO HOMELESSNESS IN THE FIRST PLACE.



AFFORDABLE HOUSING IS THE LEVER THAT LIFTS THE ENTIRE SYSTEM.
It's not the only solution — but it's the solution that makes all the others possible.

Executive Orders and Administrative Actions



Impacts on HUD Homeless Assistance Grants

- Office of Management and Budget Funding Freeze
- Termination (and reinstatement of) technical assistance contracts
- Equal Access Rule
- CoC Program Funding
 - Delayed FY2024 awards and new provisions
 - Waiting to hear about FY2025 process
- Re-issued CoC Build's NOFO



HUD Staffing

So far, HUD staffing has been reduced by 23% since January

This includes people who have taken the “fork-in-the-road” offer, people who have gone into early retirement, and other folks laid off

- Primarily HUD field office staff
- HUD processing times already impacted by lack of capacity
 - Ex: CoC funding, Service Coordinator contracts
- Dust may be starting to settle on layoffs (*knock-on-wood*)



Other Attacks on Housing Access

- Undermining Fair Housing
 - Cancelled grants for nonprofits investigating housing discrimination
 - Gutting the Affirmatively Furthering Fair Housing rule, which aims to expand housing opportunity
- Targeting Immigrants & Their Families
 - Memorandum Of Understanding between HUD and Department of Homeland Security
 - Expecting rule that would evict “mixed-status” families



Other Attacks on Housing Access

- EOs: "Illegal DEI," attempts to terminate USICH, CFPB, and CDFI fund
- Future restrictions on accessing/maintaining HUD assistance – work requirements, time limits, minimum rent increases





President's FY2026 Budget Request & Impact on HUD Programs

125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
			89,000
			50,000

President's FY2026 Budget Request

- Released "Skinny" Budget in May 2025
- Details published early June along with HUD Congressional Justifications



Impact on Homeless Assistance Grants

- **Reduction:** Proposes reduction in the overall amount of funding available for HUD's Special Needs Programs (including ESG, CoC and HOPWA) of \$532 million from FY25's amount.
- **Consolidation:** Proposes the consolidation of the Continuum of Care (CoC) Program—along with Housing Opportunities for Persons with AIDS (HOPWA)—into the Emergency Solutions Grants (ESG) program.
- **Formulation:** It shifts the awarded funds from a competitive application to a formula allocation that does not account for renewal demand; would place thousands of projects and the hundreds of thousands of people they serve at risk.



Impact on Homeless Assistance Grants (cont.)

- **Permanent Supportive Housing:** 167,000 beds for people with disabling conditions
- **Youth Homelessness Demonstration Program:** 8 rounds awarded to more than 120 communities
- **Housing Opportunities for People with AIDS:** 46,000 Households lose housing/support
- **National Homelessness Data Analysis Project:** Produces the Annual Homelessness Assessment Report to Congress
- **Technical Assistance:** 150 Communities
- **Homelessness and Crisis Response Backbone**
 - CoC Planning
 - Data Collection/HMIS
 - Coordinated Entry



Proposed Changes to Rental Assistance Would Increase Homelessness

Block Grant & Cut Rental Assistance

- Lump together 5 programs into a block grant to states:
 - Housing Choice Vouchers
 - Section 8 Project-Based Rental Assistance
 - Public Housing
 - Section 202 Housing for the Elderly
 - Section 811 Supportive Housing for Persons with Disabilities
- Cut by **\$27 billion** (43 percent)

Implement Time Limits

- Two-year time limit
- Would likely exclude older adults and some people with disabilities
- Ignores reality of low wages and high rents

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Block Granting Will Lead to Future Cuts

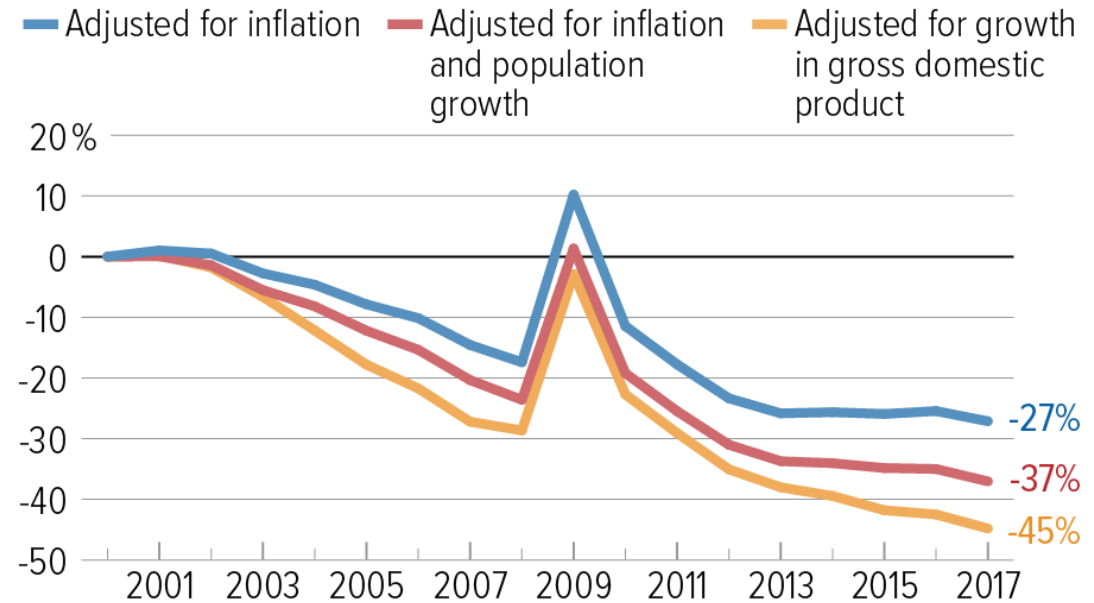
History shows block grants for people with low incomes lose funding over time

Any state funding available to "share costs" would just be offsetting cuts

States then responsible for implementing harsh cuts

Overall Funding for Housing, Health, and Human Services Block Grants Has Fallen Significantly Since 2000

Change relative to 2000 funding level



Note: Includes funding from the 2009 Recovery Act. For non-entitlement programs, 2017 levels represent annualized funding under the current continuing resolution (which expires on April 28, 2017); final levels for 2017 may end up higher or lower than shown here.

Source: CBPP based on Congressional Research Service reports, agency budget justification documents, and appropriations legislation. Inflation data from the Bureau of Labor Statistics; population data from the Social Security and Medicare Trustees; gross domestic product data from the Bureau of Economic Analysis.

Impact on Other Key Programs & Initiatives

The request would cut funding for:

- Lead Hazard Reduction and Healthy Homes Funding (-\$296 million)

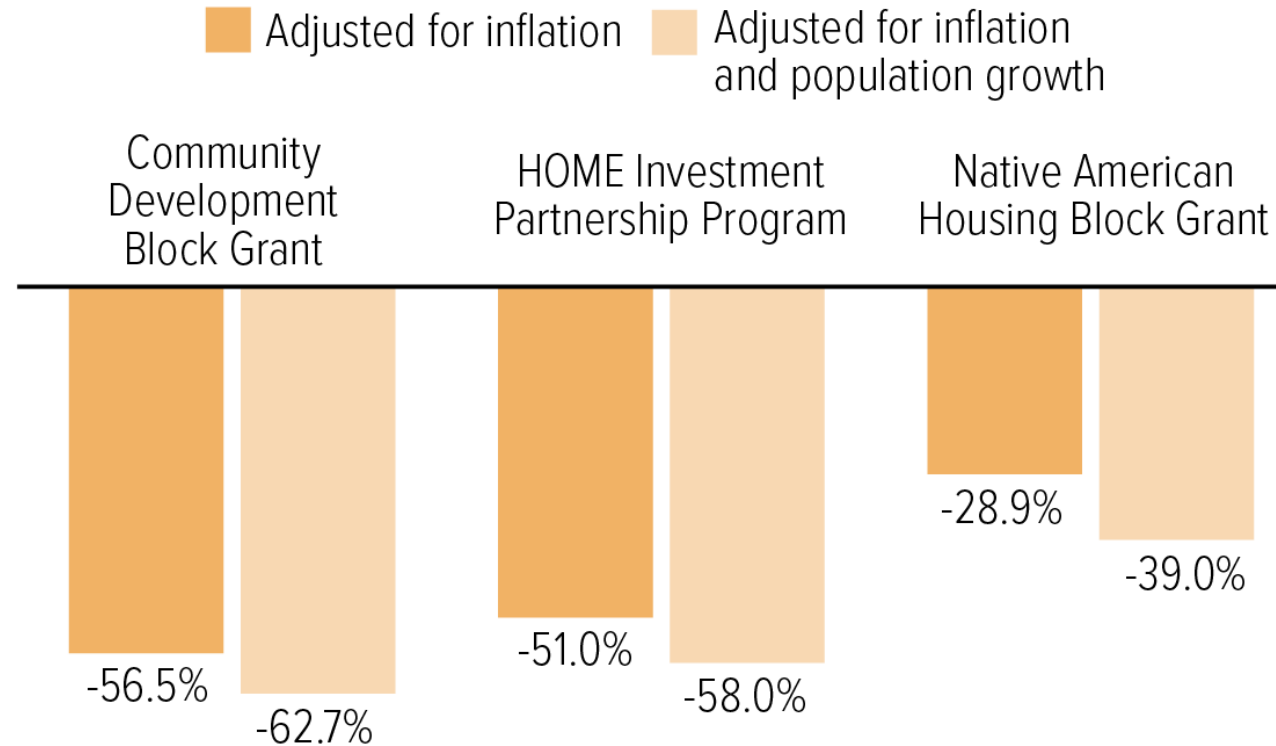
The request would eliminate:

- Community Development Block Grants
- HOME Investment Partnership Programs
- Family Self-Sufficiency Program
- Pathways to Removing Obstacles (PRO) Housing Grants
- Fair Housing Initiatives Program (FHIP)
- US Interagency Council on Homelessness



Funding for Major HUD Block Grants Has Fallen Sharply Over Time

Change in funding from 2001 to 2023



Source: CBPP analysis of appropriations legislation. Inflation data from the Bureau of Labor Statistics; population data from the Social Security and Medicare Trustees.

Connection with Budget Reconciliation

Budget reconciliation proposals attacking access to SNAP,
Medicaid

+

FY26 budget proposal to slash funding for anti-poverty
programs

+

Massive tax cuts for higher-income households and
corporations

=

Fewer people served, greater financial strain on low-income
households, erosion of federal tax base

Ending Homelessness is Possible.



Responsible Budget Request



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
1450	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			10,700

Responsible Ask for Homeless Assistance Grants

- The Alliance is recommending that Congress provide HUD's Homeless Assistance Grants account with a \$4.922 billion appropriation in FY2026-- Increase of \$867 million over FY2025

CoC Program

+ \$652 million

- Account for FMR increases in FY25 and FY26
- Recover from FY25 funding loss
- Allow for cost-of-living adjustments for frontline staff
- Allocate new funding to create projects to serve priority populations based on CoC needs

ESG Program

+ 210 million

- Respond to national rise in unsheltered homelessness
- Respond to crushing inflow of people becoming homeless for the first time
- Ensure that emergency accommodations meet evolving needs

Ending Homelessness is Possible.



Rental Assistance Funding Asks for 2026

1. Fully Fund Housing Choice Vouchers

Includes ensuring that no one with an EHV loses assistance

2. Reject Proposal to Block Grant Rental Assistance

Fully fund all federal rental assistance programs

3. No Policies That Take Assistance Away from People

Includes time limits and work requirements

4. Looking forward, we need a rental assistance guarantee

Rental assistance is a proven tool, the remaining need is high, and improvements can be made that don't deny people assistance

Ending Homelessness is Possible.



Other Key HUD Programs & Initiatives

- Increased funding for public housing operations and maintenance
- \$20 million for HUD's Eviction Protection Grant Program (EPGP)
- \$1.3 billion for IHBG, and \$150 million for IHBG-Competitive program



SAVE THE DATE

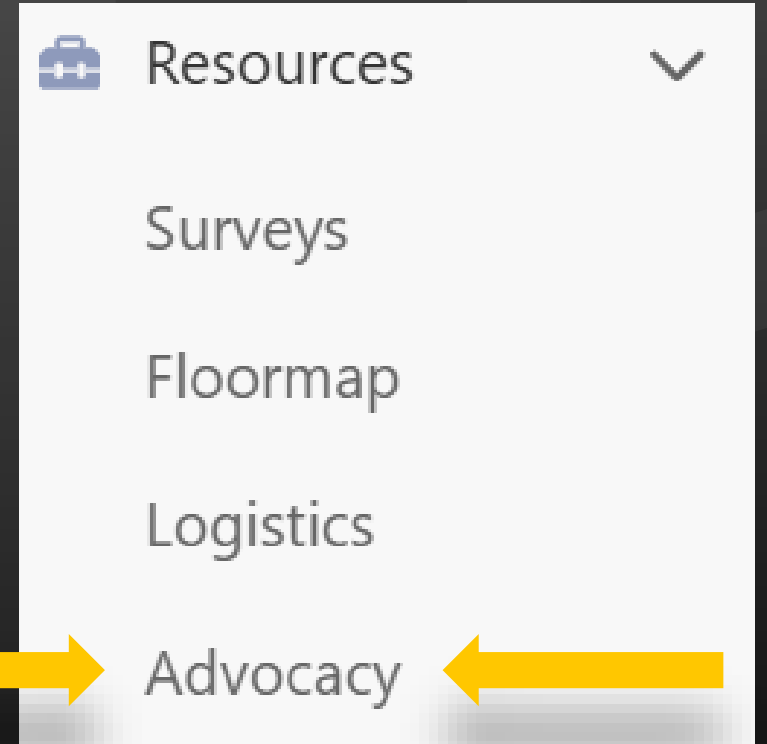
***Virtual* Capitol Hill Day:
September 17**



[ENDHOMELESSNESS.ORG](https://endhomelessness.org)

WHOVA > RESOURCES > ADVOCACY

Engage with
our advocacy
resources on
Whoova.



TAKE ACTION TODAY

Prepare to take
action and sign
up for our
Advocacy Alerts.



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TAKE ACTION TODAY

1. Defend the two-year NOFO to keep funding flowing
2. Prevent dangerous budget cuts & advance real solutions



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