

PUBLIC HOUSING

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Administering Agency: HUD’s Office of Public and Indian Housing (PIH)

Year Started: 1937

Number of Persons/Households Served: According to PIH’s [Data Dashboard \(https://www.hud.gov/helping-americans/public-housing-dashboard\)](https://www.hud.gov/helping-americans/public-housing-dashboard), as of December 1, 2025, 1,525,147 residents lived in public housing (525,267 of which are children), down approximately 3% from December 2024. The number of residents has been slowly and steadily decreasing as PIH continues public housing “repositioning.” The number of residents decreased by 5% between 2022 and 2023 and decreased by 4% between 2023 and 2024. According to [“Picture of Subsidized Housing” \(https://www.huduser.gov/portal/datasets/assthsg.html#query_2009-2022\)](https://www.huduser.gov/portal/datasets/assthsg.html#query_2009-2022) posted by HUD’s Office of Policy Development and Research (PD&R), there were 1,604,633 residents living in public housing based on 2023 Census data. Since last year’s *Advocates’ Guide*, PIH no longer posts data via the [Resident Characteristics Report \(https://www.hud.gov/helping-americans/public-indian-housing-systems-pic-50058-resources#4\)](https://www.hud.gov/helping-americans/public-indian-housing-systems-pic-50058-resources#4).

Population Targeted: All households must have income less than 80% of the area median income (AMI); at least 40% of new admissions in any year must have extremely low income, income less than 30% of AMI or the federal poverty level, whichever is greater. According to “Picture of Subsidized Housing,” 73% of the households had extremely low incomes.

Funding: For fiscal year (FY) 2026, the Trump administration’s budget request proposed zeroing out both the Capital Fund and Operating Fund. The Trump administration’s budget proposed combining several housing programs, including Public Housing a new “State Rental Assistance Block Grant.”

For FY26, the House’s Transportation, Housing and Urban Development (THUD) spending bill would

provide \$2.286 billion for the Capital Fund and \$5 billion for the Operating Fund; the Senate would provide \$3.2 billion for the Capital Fund and \$5.087 billion for the Operating Fund. As of this article’s writing, Congress has yet to finalize an FY26 spending bill for HUD programs.

Congress appropriated \$3.410 billion for the Capital Fund and \$5.501 billion for the Operating Fund in FY25, part of a continuing resolution (CR) that maintained FY24 funding levels; as such, in FY24 Congress provided \$3.410 billion for the Capital Fund and \$5.501 billion for the Operating Fund; Congress provided \$3.380 billion for the Capital Fund and \$5.134 billion for the Operating Fund in FY23; and \$3.388 billion for the Capital Fund and \$5.064 billion for the Operating Fund in FY22; \$2.9 billion for the Capital Fund and \$4.9 billion for the Operating Fund in FY21; and \$2.9 billion for the Capital Fund and \$4.5 billion for the Operating Fund in FY20.

See Also: For related information, refer to the *Rental Assistance Demonstration*, *Public Housing Repositioning*, and *Public Housing Agency Plan* sections of this guide.

Summary

The nation’s dwindling number of public housing units, 865,449 (Data Dashboard), down from 1.1 million in previous years, still serves 1,525,147 residents (down from nearly 2 million in previous years). Public housing is administered by a network of 2,667 local public housing agencies (PHAs) that have 6,194 developments (Data Dashboard). Funding for public housing consists of residents’ rents and congressional appropriations to HUD. Additional public housing has not been built in decades.

Public housing encounters many recurring challenges. For instance, PHAs face significant federal funding shortfalls each year, as they have for decades. In addition, policies such as demolition, disposition, and the former HOPE VI program have resulted in the loss of public housing units—approximately 10,000 units each year, according to HUD estimates. [Picture](#)

of Preservation 2024 (<https://tr.ee/JVXb3w>) from NLIHC and PAHRC found that approximately 267,000 public housing homes (30%) were in public housing developments that failed their most recent Real Estate Assessment Center (REAC) physical inspection and likely require immediate investment—twice the number that failed in 2019. One in five public housing homes were in developments that have also failed two or more of their latest REAC scores, up from 9% in 2019.

HUD's aggressive "Public Housing Repositioning" campaign is speeding up the pace of demolition, disposition, and conversion of public housing to either Project-Based Vouchers (PBVs) or Project-Based Rental Assistance (PBRA) through the [Rental Assistance Demonstration \(RAD; https://www.hud.gov/hud-partners/rad\)](https://www.hud.gov/hud-partners/rad). See the *Repositioning of Public Housing* and the *Rental Assistance Demonstration* sections of this guide.

Congress authorized the expansion of the mis-named [Moving to Work \(MTW\) Demonstration \(https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw\)](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw) in 2016. MTW is fundamentally a scheme to deregulate public housing that can reduce affordability, deep income targeting, resident participation, and program accountability, all aspects of public housing that make it an essential housing resource for many of the lowest income people (see the Moving to Work and Expansion section in Chapter 4 of this guide).

HUD's attempt to address the aging public housing stock through the [Choice Neighborhoods Initiative \(CNI; https://www.hud.gov/program_offices/public_indian_housing/programs/ph/cn\)](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/cn) renovation program enables limited CNI implementation funds to be used for privately owned, HUD-assisted multifamily properties as well as broader neighborhood improvements. Both the administration and the House requested no funding for this program in FY26; the Senate requested \$40 million. As if this article's writing, a final FY26 agreement for HUD programs has not been enacted. Congress approved only \$75 million for CNI in FY24, down from \$350 million in FY23; consequently, all FY24 appropriation was devoted to CNI planning grants and none was made available for CNI implementation grants.

History

The "Housing Act of 1937" established the public housing program. President Nixon declared a moratorium on public housing in 1974, shifting the nation's housing assistance mechanism to the Section 8 programs (both new construction and certificate programs) intended to engage the private sector. Federal funds for adding to the public housing stock were last appropriated in 1994, but little public housing has been built since the early 1980s.

In 1995, Congress stopped requiring that demolished public housing units be replaced on a unit-by-unit, one-for-one basis. In 1998, the "Quality Housing and Work Responsibility Act" (QHWRA) changed various aspects of public housing, including public housing's two main funding streams, the operating and capital subsidies. Federal law capped the number of public housing units at the number each PHA operated as of October 1, 1999 ([the Faircloth cap, https://www.hud.gov/helping-americans/public-indian-housing-capfund](https://www.hud.gov/helping-americans/public-indian-housing-capfund)).

Today, units are being lost by the cumulative impact of decades of underfunding and neglect of once-viable public housing units. HUD officials have repeatedly stated for years that more than 10,000 units of public housing leave the affordable housing inventory each year due to underfunding. As a response, HUD has promoted its "[Public Housing Repositioning" \(https://www.hud.gov/helping-americans/public-indian-housing-repositioning\)](https://www.hud.gov/helping-americans/public-indian-housing-repositioning) policy, which has three components, all of which reduce the stock of public housing: [Section 18 demolition and disposition \(sale\) \(https://tr.ee/qneYaE\)](https://tr.ee/qneYaE) of units; [Section 22 voluntary \(https://www.hud.gov/helping-americans/public-indian-housing-sac/repositioning-options#6\)](https://www.hud.gov/helping-americans/public-indian-housing-sac/repositioning-options#6) and [Section 33 mandatory \(https://tr.ee/L6clQZ\)](https://tr.ee/L6clQZ) conversion of public housing to voucher assistance; and the [Rental Assistance Demonstration \(https://www.hud.gov/hud-partners/rad\)](https://www.hud.gov/hud-partners/rad). See the *Repositioning of Public Housing* and the *Rental Assistance Demonstration* sections of this guide.

According to HUD testimony, between the mid-1990s and 2010, approximately 200,000 public housing units were demolished, while about only 50,000 units were

replaced with new public housing units and another 57,000 former public housing families were given vouchers instead of a public housing replacement unit. Another nearly 50,000 units of non-public housing were incorporated into these new developments, but they serve households with income higher than those of the displaced households and do not provide deep rental assistance like that provided by the public housing program.

Program Summary

According to [PIH's Data Dashboard \(https://www.hud.gov/helping-americans/public-housing-dashboard\)](https://www.hud.gov/helping-americans/public-housing-dashboard), as of December 1, 2025, there were 865,449 public housing units (18,428 fewer units than the same period in 2024). According to the Data Dashboard, 44% of public housing residents were elderly or disabled, while ["Picture of Subsidized Households" \(https://www.huduser.gov/portal/datasets/assthsg.html\)](https://www.huduser.gov/portal/datasets/assthsg.html) indicates that in 2024, 29% of heads of households were non-elderly disabled, 40% of heads of households were elderly, and 34% were households with children. The Data Dashboard indicates that the average annual income of a public housing household was \$17,815. Further, "Picture of Subsidized Households" indicates that of all public housing households, 73% were extremely low-income. Sixty-six percent of public housing households had income less than \$20,000 a year. The Data Dashboard indicates that 29% had wage income.

The demand for public housing far exceeds the supply. In many large cities, households may remain on waiting lists for decades. Like all HUD rental assistance programs, public housing is not an entitlement program; rather, its size is determined by annual appropriations and is not based on the number of households that qualify for assistance.

NLIHC's report from October of 2016, [Housing Spotlight: The Long Wait for a Home \(https://nlihc.org/resource/housing-spotlight-volume-6-issue-1\)](https://nlihc.org/resource/housing-spotlight-volume-6-issue-1), describes public housing and Housing Choice Voucher (HCV) waiting lists. An NLIHC survey of PHAs indicated that public housing waiting lists had a median wait time of nine months and 25% had a wait time of at least 1.5 years. Public housing waiting lists had an average size

of 834 households. "Picture of Subsidized Households" showed an average public housing waiting list period of 19 months in 2024.

ELIGIBILITY AND RENT

Access to public housing is means tested. All public housing households must be low-income, (have income less than 80% of the area median income, AMI), and at least 40% of new admissions in any year must have extremely low incomes, defined as income less than 30% of AMI or the federal poverty level (each adjusted for family size), whichever is greater. According to "Picture of Subsidized Households," 73% of public housing households in 2024 had extremely low incomes. The FY14 HUD appropriations act expanded the definition of "extremely low-income" for HUD's rental assistance programs by including families with income less than the poverty level to better serve poor households in rural areas. PHAs can also establish local preferences for certain populations, such as elderly people, people with disabilities, veterans, full-time workers, domestic violence victims, or people who are experiencing homelessness or who are at risk of becoming homeless.

As in other federal housing assistance programs, residents of public housing pay the highest of: (1) 30% of their monthly adjusted income; (2) 10% of their monthly gross income; (3) their welfare shelter allowance; or (4) a PHA-established minimum rent of up to \$50. The Data Dashboard indicated that the average public housing household paid \$379 per month toward rent and utilities in 2025. Public housing Operating and Capital Fund subsidies provided by Congress and administered by HUD's Office of Public and Indian Housing (PIH) contribute the balance of what PHAs receive to operate and maintain their public housing units.

With tenant rent payments and HUD subsidies, PHAs are responsible for maintaining the housing, collecting rents, managing waiting lists, and carrying out other activities related to the operation and management of public housing. Most PHAs also administer the Housing Choice Voucher Program (see the *Housing Choice Vouchers* section of this guide).

Most PHAs are required to complete five-year PHA Plans, along with annual updates, which detail many aspects of their housing programs, including waiting list preferences, grievance procedures, plans for capital improvements, minimum rent requirements, and community service requirements. PHA Plans represent a key tool for public housing residents, voucher households, and community stakeholders to participate in a PHA's planning process (see the *Public Housing Agency Plan* section of Chapter 8 of this guide).

RESIDENT PARTICIPATION

Resident Advisory Boards

QHWRA created Resident Advisory Boards (RABs) to ensure that public housing and voucher-assisted households can meaningfully participate in the PHA Plan process. Each PHA must have a RAB consisting of residents elected to reflect and represent the population served by the PHA. Where residents with Housing Choice Vouchers make up at least 20% of all assisted households served by the PHA, voucher households must have “reasonable” representation on the RAB.

The basic role of the RAB is to make recommendations to the PHA and assist in other ways with drafting the PHA Plan and any significant amendments to the PHA Plan. By law, PHAs must provide RABs with reasonable resources to enable them to function effectively and independently of the PHA. Regulations regarding RABs are in the PHA Plan regulations, 24 CFR Part 903. See the Public Housing Agency Plan section of this guide for more information about the PHA Plan.

Part 964 Resident Participation Regulations

A federal rule provides public housing residents with the right to organize and elect a resident council to represent their interests. This regulation, [24 CFR Part 964 \(https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-964?toc=1\)](https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-964?toc=1), spells out residents' rights to participate in all aspects of public housing development operations. Residents must be allowed to be actively involved in a PHA's decision-making process and to give advice on matters such as maintenance, modernization, resident screening and selection, and recreation. The rule defines the obligation of HUD and

PHAs to support resident participation activities through training and other activities.

A resident council is a group of residents representing the interests of residents and the properties they live in. Some resident councils are made up of members from just one property, so a PHA could have a number of resident councils. Other resident councils, known as jurisdiction-wide councils, are made up of members from many properties. A resident council is different from a RAB because the official role of a RAB is limited to helping shape the PHA Plan. Resident councils can select members to represent them on the RAB.

Most PHAs are required to provide \$25 per occupied unit per year from their annual operating budget from PIH to pay for resident participation activities. A minimum of \$15 per unit per year must be distributed to resident councils to fund activities such as training and organizing. Up to \$10 per unit per year may be used by a PHA for resident participation activities. A PHA may choose to distribute the full \$25 per unit per year to resident councils. On May 18, 2021, PIH issued [Notice PIH 2021-16 \(hud.gov/sites/dfiles/PIH/documents/PIH2021-16.pdf\)](https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-16.pdf) updating guidance on the use of tenant participation funds (previously provided by Notice PIH 2013-21 issued on August 23, 2013).

Notice PIH 2021-16 echoes Notice PIH 2013-21, but in general has more details. Key changes include:

- PHAs and Resident Councils (RCs) are encouraged to develop written agreements that establish a collaborative partnership, provide flexibility, and support RC leaders' autonomy. The Notice provides four minimum provisions that must be in a written agreement. It also has eight recommended best practices.
- If there is no duly elected RC, PHAs are encouraged to inform residents that tenant participation (TP) funds are available. Also, PHAs are encouraged to use up to \$10 per unit to carry out tenant participation activities, including training and building resident capacity to establish and operate an RC.
- A new section officially sanctions what has always been practice—that a PHA may fund an RC above the \$15 minimum.

- Any TP funds remaining in RC-controlled accounts at the end of a calendar year may remain in those accounts for future RC expenses.
- Public housing residents in mixed-income communities are eligible to use TP funds.

More information is on NLIHC's Public Housing webpage, <https://nlihc.org/explore-issues/housing-programs/public-housing>, including an outline of key Part 964 features, <https://tr.ee/z15wf0>.

24 CFR Part 964, Tenant Participation and Tenant Organizing in Public Housing Regulations, is at <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-964?toc=1>.

Resident Commissioners

The law also requires every PHA, with a few exceptions, to have at least one person on its governing board who is either a public housing or voucher resident. HUD's rule regarding the appointment of resident commissioners, at Part 964, states that residents on boards should be treated no differently than non-residents.

PUBLIC HOUSING CAPITAL FUND AND OPERATING FUND

PHAs receive two annual, formula-based grants from congressional appropriations to HUD, the Operating Fund and the Capital Fund. As *Advocates' Guide* went to press, Congress had not passed an FY26 appropriation's act; a short-term CR keeps public housing funding at FY25 levels until further congressional action. Congress appropriated \$3.410 billion for the Capital Fund and \$5,501 billion for the Operating Fund in FY25 as part of a year-long CR that maintained FY24 funding levels. Congress appropriated \$3.380 billion for the Capital Fund and \$5.134 billion for the Operating Fund in FY23; \$3.388 billion for the Capital Fund and \$5.064 billion for the Operating Fund in FY22; \$2.9 billion for the Capital Fund and \$4.9 billion for the Operating Fund in FY21; and \$2.9 billion for the Capital Fund and \$4.5 billion for the Operating Fund in FY20.

A 2010 national Public Housing Needs Assessment commissioned by HUD showed that \$26 billion

was needed to address the funding backlog. In a [2023 report \(https://www.nahro.org/wp-content/uploads/2023/07/NAHRO360Report2023.pdf\)](https://www.nahro.org/wp-content/uploads/2023/07/NAHRO360Report2023.pdf), the National Association of Housing and Redevelopment Officials (NAHRO) found that this estimate would have increased to approximately \$90 billion since the initial estimate. Most recently, in October 2025, the Council of Large Public Housing Authorities (CLPHA) [released a report \(https://tr.ee/SCyWoQ\)](https://tr.ee/SCyWoQ) that estimated that nearly \$170 billion is needed to address the capital needs of the nation's public housing. The authors of these studies used different methodologies to develop their estimates; it is clear that substantial investment is needed, and ongoing costs to preserve public housing properties can continue to be evaluated.

Picture of Preservation 2024 (https://tr.ee/n1frds) from NLIHC and PAHRC finds that approximately 267,000 public housing homes (30%) were in public housing developments that failed their most recent Real Estate Assessment Center (REAC) physical inspection and likely require immediate investment—twice the number that failed in 2019. One in five public housing homes were in developments that have also failed two or more of their latest REAC scores, up from 9% in 2019.

The Capital Fund can be used for a variety of purposes, including addressing deferred maintenance, modernization, demolition, resident relocation, development of replacement housing, and carrying out resident economic self-sufficiency programs. Up to 20% can also be used to make management improvements. The annual capital needs accrual amount (estimated in 2010 to be \$3.4 billion each year) makes clear that annual appropriations for the Capital Fund are woefully insufficient to keep pace with the program's needs. A statutory change in 2016 (HOTMA, see "Statutory and Regulatory Changes Made in 2016" below) now allows a PHA to transfer up to 20% of its Operating Fund appropriation for eligible Capital Fund uses.

The public housing Operating Fund is designed to make up the balance between what residents pay in rent and what it actually costs to operate public housing. Major operating costs include routine and preventative maintenance, a portion of utilities, management, PHA employee salaries and benefits, supportive services, resident participation support, insurance, and security.

Other operating costs include recertification of residents' income, annual unit inspections, and planning for long-term capital needs to maintain properties' viability. Since 2008, HUD's operating formula system, called "Asset Management," has determined a PHA's operating subsidy on a property-by-property basis (called an Asset Management Project, AMP), rather than on the previous overall PHA basis. In advance of the FY25 budget, HUD stated (https://archives.hud.gov/budget/fy25/2025_CJ_Program_-_Public_Housing_Fund.pdf) that \$5.1 billion it requested for FY25 is projected to be sufficient to meet 90% of all public housing operating expenses. However, HUD claims that \$5.1 billion should be sufficient if paired with existing PHA reserves and \$178 million in shortfall funding it requested from Congress to protect PHAs with low operating reserves. For its FY26 budget request, the Trump administration proposed combining funding for several HUD rental assistance programs, including the Public Housing Capital and Operating Funds, into a "State Rental Assistance Block Grant," and slashed funding for the program by over 43% but did not provide details of how funding would be allocated among states.

Programs Affecting Public Housing

DEMOLITION AND DISPOSITION

Since 1983, PIH has authorized PHAs to apply for permission to demolish or dispose of (sell) public housing units. This policy was made significantly more damaging in 1995 when Congress suspended the requirement that PHAs replace, on a one-for-one basis, any public housing lost through demolition or disposition. In 2016, HUD reported a net loss of more than 139,000 public housing units due to demolition or disposition since 2000. [Demolition and disposition \(https://www.hud.gov/helping-americans/public-indian-housing-sac/repositioning-options#1\)](https://www.hud.gov/helping-americans/public-indian-housing-sac/repositioning-options#1) policy is authorized by Section 18 of the Housing Act with regulations at [24 CFR part 970 \(https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-970\)](https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-970) and various PIH Notices.

A PHA must apply to PIH's [Special Applications Center \(SAC\) \(https://www.hud.gov/helping-americans/public-indian-housing-sac\)](https://www.hud.gov/helping-americans/public-indian-housing-sac) to demolish or dispose of public housing under Section 18. The application must certify that the PHA has described the demolition or disposition in its Annual PHA Plan and that the description in the application is identical. Advocates should challenge an application that is significantly different. PHAs should not re-rent units when they turn over while PIH is considering an application. The information in this article is primarily from the regulations 24 CFR 970.

In 2012, after prodding from advocates, PIH under the Obama administration clarified and strengthened its guidance ([Notice PIH 2012-7, https://www.hud.gov/sites/documents/12-07pihn.doc](https://www.hud.gov/sites/documents/12-07pihn.doc)) regarding demolition and disposition in an effort to curb the decades-long needless destruction or sale of the public housing stock. The 2012 Notice served as a reminder to residents, the public, and PHAs of PHAs' obligations regarding resident involvement and the role of the PHA Plan regarding demolition/disposition.

In 2018, the Trump administration eliminated Notice PIH 2012-07 from 2012 that included modest improvements suggested by advocates. The replacement, [Notice PIH 2018-04 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/18-04pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/18-04pihn.pdf), downplayed the role of resident consultation, making it easier to demolish public housing. In addition, the administration withdrew proposed regulation changes drafted in 2014 that would have reinforced those modest improvements.

PIH began allowing 25% of the units in a RAD project to convert to PBVs under Section 18 in [Notice PIH 2018-11 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/18-11pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/18-11pihn.pdf) on July 2, 2018, the beginning of the "RAD/Section 18 Blend." On January 19, 2021, PIH posted [Notice PIH 2021-07 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-07pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-07pihn.pdf), which superseded Notice PIH 2018-04. The primary change was to the "RAD/Section 18 Blend," allowing a PHA to apply to SAC for approval to dispose of public housing "because it is not in the best interests of the residents and the PHA" to keep the property as public housing. In short, the drastically changed provision allowed a PHA to convert anywhere

from 40% to 80% of the units in a RAD project to PBVs under Section 18. [Notice PIH 2024-40 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/2024-40pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/2024-40pihn.pdf) issued on December 26, 2024, replaced Notice PIH 2021-07 and modified the percentage of units in a RAD/Section 18 Blend project that could be Section 18 PBV units from 30% to 90%. The percentage of units eligible for disposition within a RAD project is based on the “hard construction costs” of the proposed rehabilitation or new construction.

These RAD/Section 18 Blend Notices further accelerate PIH’s public housing “repositioning” policy (see the *Rental Assistance Demonstration* article for more about RAD/Section 18 Blends).

Although NLIHC and other advocates have urged PIH during the Biden administration to restore key elements of Notice PIH 2012-7 as well as improve fair housing review prior to approving Section 18 demolition/disposition actions, PIH did not indicate an intent to issue improved demolition/disposition regulations similar to those proposed by the Obama administration.

However, in the closing days of the Biden administration (December 26, 2024), PIH issued [Notice PIH 2024-40 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/2024-40pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/2024-40pihn.pdf), which made a number of changes that included several urged by NLIHC and the National Housing Law Project. There are major improvements regarding resident consultation and resident relocation, and consideration of the “commensurate public benefit” provision so that it better targets truly low-income people. The new Notice also adds references to vacant land, which is also subject to Section 18 disposition.

For more information about demolition and disposition, see the *Repositioning of Public Housing* entry in this guide.

RENTAL ASSISTANCE DEMONSTRATION

As part of its FY12 HUD appropriations act, Congress authorized the [Rental Assistance Demonstration](https://www.hud.gov/hud-partners/rad) (RAD, <https://www.hud.gov/hud-partners/rad>), which allowed HUD to approve the voluntary conversion of up to 60,000 public housing and Section 8 Moderate

Rehabilitation Program units into either Section 8 Project-Based Rental Assistance contracts (PBRA) or Project-Based Vouchers (PBV) by September 2015. Since then, Congress has increased the cap three times, first to 185,000 units, then to 225,000, and now to 455,000 units. The deadline for making conversions has been extended periodically, now set at September 30, 2029, by the “FY24 Appropriations Act.” The Senate FY23 appropriations bill and HUD’s budget request to Congress proposed removing the 455,000-unit cap as well as the sunset date, but it did not pass.

The Obama, first Trump, and Biden administrations, along with many developer-oriented organizations, have been urging Congress to remove the cap and allow all public housing units to undergo RAD conversion, even though the “demonstration” has yet to adequately demonstrate that the resident protection provisions in the statute and RAD implementation Notices are being fully realized. Many residents whose public housing properties have been approved for RAD complain that PHAs, developers, and HUD have not provided adequate information, causing many to doubt that the resident protections in the enabling legislation and RAD implementation Notices will be honored by PHAs and developers or monitored by HUD. NLIHC strongly opposes increasing or eliminating the cap until this “demonstration” has convincingly shown that HUD will rigorously monitor PHA and owner compliance with all tenant protections written into the RAD statute and RAD Notice. See the *Rental Assistance Demonstration* section of this guide for more information.

The “ROAD to Housing Act of 2025,” comprehensive bipartisan housing legislation introduced in 2025, includes a provision to remove the cap on RAD conversions, along with language intended to ensure that tenant protections and rights of residents in properties converted under RAD remain in full effect. The monitoring and enforcement of tenant protections has been one of the main reasons NLIHC has opposed expanding RAD, so this will be an area to monitor as work on the legislation continues.

MOVING TO WORK

A key public housing issue is the so-called [Moving to Work \(MTW\) demonstration](https://www.hudexchange.info/programs/mtw/) (<https://www.hudexchange.info/programs/mtw/>) that provides a limited number of housing agencies flexibility from most statutory and regulatory requirements. Because the original demonstration program has not been evaluated, particularly regarding the potential for harm to residents, NLIHC has long held that the MTW demonstration is not ready for expansion or permanent authorization. Various legislative vehicles have sought to maintain and expand the current MTW program. The original MTW involved 39 PHAs. The MTW contracts for each of these 39 PHAs were set to expire in 2018, but in 2016 HUD extended all of them to 2028.

The three MTW statutory goals are:

1. Reducing costs and increasing cost-effectiveness,
2. Providing incentives for resident self-sufficiency, and
3. Increasing housing choices for low-income households.

PHAs granted MTW status (“MTW agencies”) must meet five statutory requirements:

1. Ensure that 75% of the households they assist have income at or less than 50% of area median income (AMI),
2. Establish a reasonable rent policy,
3. Assist substantially the same number of low-income households as a PHA would without MTW funding flexibility,
4. Assist a mix of households by size comparable to the mix a PHA would have served if it were not in MTW, and
5. Ensure that assisted units meet housing quality standards.

In practice, HUD’s enforcement of these requirements for the original 39 MTW agencies has been highly permissive.

The FY16 appropriations act expanded the MTW demonstration by a total of 100 PHAs over the course of a seven-year period. Of the 100 new PHA MTW sites,

no fewer than 50 PHAs must administer up to 1,000 combined public housing and voucher units, no fewer than 47 must administer between 1,001 and 6,000 combined units, no more than three can administer between 6,001 and 27,000 combined units, and five must be PHAs with portfolio-wide awards under RAD. PHAs were to be added to the MTW demonstration by cohort (groups), each of which is to be overseen by a research advisory committee to ensure the demonstrations are evaluated with rigorous research protocols. Each cohort of MTW sites were to be directed by PIH to test one specific policy change.

The cohorts are:

- “MTW Flexibilities,” the first cohort announced in January 2017, involves smaller PHAs that have a combination of 1,000 or fewer public housing units and vouchers. This cohort allows PHAs to use any of the regulatory waivers in the Final MTW Operations Notice (see below) in order to evaluate the overall effects of MTW flexibility on a PHA and its residents. Thirty-one PHAs were selected.
- “MTW Flexibilities II,” the last cohort announced in August 2023, will involve additional smaller PHAs that have 1,000 or fewer combined units of public housing and vouchers. These MTW PHAs will test the overall effects of using various MTW “flexibilities,” with a focus on “administrative efficiencies.” Fourteen PHAs were selected on March, 29 2024.
- “Rent Reform/Stepped and Tiered Rent” involves 10 PHAs testing “rent reform” ideas of using “stepped rents” or “tiered rents,” which PIH claims is designed to “increase resident self-sufficiency and reduce PHA administrative burdens.” Stepped rent is a form of time limit; it is a scheme that increases a household’s rent on a fixed schedule in both frequency and amount, starting at 30% of gross income and growing each year. “Tiered rents” involve a household paying a fixed amount for rent if their income is in a set range, which could result in rent burden. Only PHAs with a combination of at least 1,000 non-elderly and non-disabled public housing residents and voucher households were eligible. NLIHC and other advocates urged PIH not to implement this cohort because of its serious potential to impose cost burdens on residents. NLIHC has a [summary](https://) (<https://>

nlihc.org/sites/default/files/Cohort_2_Rent_Reform_Notice.pdf) of the MTW Rent Reform cohort.

- “Landlord Incentives” explores ways to increase and sustain landlord participation in the Housing Choice Voucher program. Twenty-nine PHAs were selected. NLIHC has prepared a [summary of key provisions \(https://nlihc.org/sites/default/files/Cohort-4-Landlord-Incentives-Notice.EG..pdf\)](https://nlihc.org/sites/default/files/Cohort-4-Landlord-Incentives-Notice.EG..pdf) of the landlord incentives Notice.
- “Asset Building” experiments with policies and practices that help residents build financial assets and/or build credit. For the purpose of this cohort, asset building is defined as activities that encourage the growth of assisted residents’ savings accounts and/or that aim to build credit for assisted households. Eighteen PHAs were selected. NLIHC has prepared a [“Summary of the Key Features of the MTW Asset Building Cohort.” \(https://nlihc.org/sites/default/files/Summary-of-MTW-Cohort-.pdf\)](https://nlihc.org/sites/default/files/Summary-of-MTW-Cohort-.pdf)
- “Work Requirements” was rescinded in June 2021. NLIHC and other advocates vehemently opposed this proposed cohort.

A [final Operations Notice \(https://tr.ee/epMeXD\)](https://tr.ee/epMeXD) providing overall direction to all MTW Expansion PHAs was published on August 28, 2019. It allows an Expansion MTW PHA to impose a potentially harmful work requirement, time limit, or burdensome rent “MTW Waiver” without securing HUD approval and without the rigorous evaluation called for by the statute. See NLIHC’s [Summary of Key Provisions of the MTW Demonstration Operations Notice \(https://tr.ee/L5qbv6\)](https://tr.ee/L5qbv6) for more information.

Other important features of the MTW Expansion include:

- Expansion MTW agencies must submit an “MTW Supplement” to the Annual PHA Plan. So-called “Qualified PHAs,” those with fewer than 550 public housing units and vouchers combined, will be required to submit an MTW Supplement each year even though they do not have to submit a regular PHA Plan. The MTW Supplement must go through a public process along with the Annual PHA Plan, following all of the Annual PHA Plan public participation requirements.

- An Expansion MTW PHA agency must implement one or multiple “reasonable rent policies” during the term of its MTW designation. PIH defines a reasonable rent policy as any change in the regulations on how rent is calculated for a household, such as any Tenant Rent Policies in Appendix I.
- Expansion MTW PHAs will maintain MTW designation for 20 years, with the MTW waivers expiring at the end of the 20-year term.
- An Expansion MTW PHA MTW program applies to all of the Expansion MTW PHA’s public housing units, tenant-based HCV assistance, project-based HCV assistance (PBV), and homeownership units.
- An Expansion MTW PHA may spend up to 10% of its HCV Housing Assistance Payment (HAP) funding on “local, non-traditional activities,” as described in Appendix I of the MTW Expansion Operations Notice, without prior HUD approval. Examples include providing shallow rent subsidies, rent subsidies to supportive housing programs to help households experiencing homelessness, services to low-income people who are not public housing or voucher tenants, and gap-financing to develop Low-Income Housing Tax Credit (LIHTC) properties. An Expansion MTW PHA may spend more than 10% by seeking PIH approval through a Safe Harbor Waiver. NLIHC urged PIH to remove this option because it has the effect of reducing the number of HCVs a PHA could use to house residents.

Legislation to expand MTW is also included in the Senate’s “ROAD to Housing Act” ([S. 2651, https://www.congress.gov/bill/119th-congress/senate-bill/2651](https://www.congress.gov/bill/119th-congress/senate-bill/2651)). The provision would add 25 PHAs to the existing 100 Expansion PHAs and original 39 MTV PHAs. The provision does prohibit PHAs in the new cohort from implementing some of the harmful MTW policies such as time limits, work requirements, and rent increases, however other policies and provisions allowed by the bill could burden residents. In addition, it is unclear whether PHAs could request waivers of “safe harbor” provisions from HUD that could skirt the prohibition of work requirements, time limits, and increased rents. The Senate and House continue to negotiate provisions of the “ROAD to Housing Act,” and NLIHC will continue to work with Congress to advocate for positive outcomes for low-income renters.

For much more information about the MTW demonstration, see the *Moving to Work and Expansion* article in this guide.

CHOICE NEIGHBORHOODS INITIATIVE

The [Choice Neighborhoods Initiative \(CNI, https://www.hudexchange.info/programs/choice-neighborhoods/\)](https://www.hudexchange.info/programs/choice-neighborhoods/), created in FY10, was HUD's successor to the HOPE VI Program. Like HOPE VI, CNI focuses on severely distressed public housing properties, but CNI expands HOPE VI's reach to include HUD-assisted, private housing properties and entire neighborhoods. Although unauthorized, CNI has been funded through annual appropriations bills and administered according to the details of HUD Notices of Fund Opportunity (NOFOs). HUD proposed eliminating CNI in FY19, FY20, and FY21, but Congress has continued to approve funding for CNI, approving \$150 million in FY19, \$175 million in FY20, \$200 million in FY21, and \$350 million for FY22 and FY23. The Biden administration proposed \$185 million for FY24, while the Senate proposed \$150 million and the House proposed zero, with the final appropriation being only \$75 million. For FY25, the Biden administration proposed \$140 million, while the Senate proposed \$100 million, and the House again proposed zero. The final appropriation was \$75 million.

For FY26, the Trump administration and House both proposed zero funding for CNI, and the Senate proposed \$40 million.

HUD states that CNI has three goals:

1. Housing: Replace distressed public and HUD-assisted private housing with mixed-income housing that is responsive to the needs of the surrounding neighborhood.
2. People: Improve employment and income, health, and children's education outcomes; and
3. Neighborhood: Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

In addition to PHAs, grantees can include HUD-assisted private housing owners, local governments, nonprofits, and for-profit developers. The CNI Program awards both large implementation grants and smaller planning grants. CNI planning grants are to assist communities in developing a comprehensive neighborhood revitalization plan, called a Transformation Plan, and in building the community-wide support necessary for that plan to be implemented. One hundred and forty-four planning grants totaling approximately \$70 million were awarded through September 2024. Information and resources on the grants, including awardees, were once available on the HUD website and have been removed. The [FY 24 planning grants NOFO \(https://grants.gov/search-results-detail/353452\)](https://grants.gov/search-results-detail/353452) was posted on April 9, 2024, announcing up to \$10 million for awards, with a maximum award of \$500,000. HUD announced [13 FY24 planning grants \(https://archives.hud.gov/news/2024/pr24-231.cfm\)](https://archives.hud.gov/news/2024/pr24-231.cfm) totaling \$6,500,000 on September 10, 2024. In FY25, Congress approved \$75 million for CNI. As of publication, a FY25 CNI planning grant NOFO has not yet been released.

CNI implementation grants are intended primarily to help transform severely distressed public housing and HUD-assisted private housing developments through rehabilitation, demolition, and new construction. HUD also requires applicants to prepare a more comprehensive plan to address other aspects of neighborhood distress such as violent crime, failing schools, and capital disinvestment. Funds can also be used for supportive services and improvements to the surrounding community, such as developing community facilities and addressing vacant, blighted properties. Fifty-nine implementation grants (generally at \$50 million) totaling more than \$2 billion were awarded through July 2024. HUD posted the FY23 NOFO on September 6, 2023, announcing \$259 million available for awards of up to \$50 million each. Congress only approved \$75 million for CNI in FY24, therefore HUD did not issue a separate FY24 CNI NOFO, instead focusing on planning grants. HUD awarded seven new FY23/FY24 CNI implementation awards amounting to approximately \$306 million. HUD released the [FY25 CNI Implementation Grant NOFO \(https://tr.ee/Mc3kQF\)](https://tr.ee/Mc3kQF) on December 16, 2025, with applications due March 9, 2026. The estimated total program funding is \$75

million, with four grants expected to be awarded.

Although each NOFO has been different, key constant features include:

- One-for-one replacement of all public and private HUD-assisted units.
- Each resident who wishes to return to an improved development may do so.
- Residents who are relocated during redevelopment must be tracked until the transformed housing is fully occupied.
- Existing residents must have access to the benefits of the improved neighborhood.
- Resident involvement must be continuous, from the beginning of the planning process through implementation and management of the grant.

The Lead Applicant must be a PHA, a local government, or a Tribal entity. If there is also a Co-Applicant, it must be a PHA, a local government, a Tribal entity, or the owner of the target HUD-assisted housing (e.g., a nonprofit or for-profit developer).

Statutory and Regulatory Changes Made Since 2016

HOTMA CHANGES

On July 29, 2016, President Obama signed into law the “Housing Opportunity Through Modernization Act” (HOTMA). This law made changes to the public housing and voucher programs. The major public housing changes were:

Income Determination and Recertification (HOTMA Section 102)

- For residents already assisted, rents must be based on a household’s income from the prior year. For applicants for assistance, rent must be based on estimated income for the upcoming year.
 - » A PHA may determine a household’s income, before applying any deductions, based on income determination made within the previous 12-month

period using the income determination made by other programs, such as Temporary Assistance for Needy Families (TANF), Medicaid, the Supplemental Nutrition Assistance Program (SNAP), the Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Earned Income Tax Credit (EITC), Supplemental Security Income (SSI), and the Low Income Housing Tax Credit (LIHTC).

- A household may request an income review any time their income or deductions are estimated to decrease by 10%.
 - » A PHA has the discretion to set a lower percentage threshold.
 - » Rent decreases are to be effective on the first day of the month after the date of the actual change in income—meaning the rent reduction is to be applied retroactively.
- A PHA must review a household’s income any time that income with deductions is estimated to increase by 10%, except that any increase in earned income cannot be considered until the next annual recertification.

Income Deductions and Exclusions (HOTMA Section 102)

- The Earned Income Disregard was eliminated; it was used to disregard certain increases in earned income for residents who had been unemployed or were receiving welfare.
- When determining income:
 - » The deduction for elderly and disabled households increased to \$525 (up from \$400) with annual adjustments for inflation (this became effective January 1, 2024).
 - » The deduction for elderly and disabled households for medical care (as well as for attendant care and auxiliary aid expenses for disabled members of the household) used to be for such expenses that exceeded 3% of income. HOTMA limits the deduction for such expenses to those that exceed 10% of income.
 - » The dependent deduction remains at \$480 but will be indexed to inflation; it applies to each member

of a household who is less than 18 years of age and attending school, or who is a person 18 years of age or older with a disability (became effective January 1, 2024).

- » The deduction of anticipated expenses for the care of children under age 12 that are needed by a caretaker to seek or maintain employment or education is unchanged.
- » Any expenses related to aiding and attending to veterans is excluded from income.
- » Any income of a full-time student who is a dependent is excluded from income, as are any scholarship funds used for tuition and books.
- » If a household is not able to pay rent, a PHA has the discretion to establish policies for determining a household's eligibility for general hardship relief for the health and medical care expense deduction and for the childcare expense hardship exemption.
- » PHAs may adopt additional deductions (called "permissive deductions") for public housing residents.

Over-Income Limit (HOTMA Section 103)

If a household's income exceeds 120% of AMI for two consecutive years, a PHA must either:

- Terminate the household's tenancy within six months of the household's second income determination, or
- Charge a monthly rent equal to the greater of the Fair Market Rent (FMR) or the amount of the monthly operating and capital subsidy provided to the household's unit.

Asset Limits (HOTMA Section 104)

- To be eligible for public housing assistance, a household must not own real property that is suitable for occupancy as its residence or have assets greater than \$100,000 (adjusted for inflation each year). However, PHAs have the discretion to not enforce these asset limits.
 - » There are a number of things that do not count as "assets" and instead are considered "necessary

personal property" such as a car needed for everyday use, furniture, appliances, personal computer, etc.

- » So-called "non-necessary personal items that have a combined value less than \$50,000 are excluded from calculating household assets.
- » Also exempt are retirement savings accounts.
- » A household may self-certify that it has assets less than \$50,000 (adjusted for inflation each year).

Other Provisions

- A PHA may transfer up to 20% of its Operating Fund appropriation for eligible Capital Fund uses.
- PHAs may establish replacement reserves using Capital Funds and other sources, including Operating Funds (up to the 20% cap), as long as the PHA Plan provides for such use of Operating Funds.

HUD issued a [final rule on July 26, 2018 \(https://www.govinfo.gov/content/pkg/FR-2018-07-26/pdf/2018-15941.pdf\)](https://www.govinfo.gov/content/pkg/FR-2018-07-26/pdf/2018-15941.pdf) implementing the 120% over-income limit. HUD issued [Notice PIH 2018-19 \(https://tr.ee/VTopmt\)](https://tr.ee/VTopmt) implementing HOTMA's minimum heating standards on November 2, 2018. On September 17, 2019, HUD [proposed HOTMA implementation regulations \(https://tr.ee/mXviWk\)](https://tr.ee/mXviWk) and NLIHC [summarized \(https://tr.ee/BPPWbB\)](https://tr.ee/BPPWbB) key provisions of the proposed changes.

A [final rule \(https://www.govinfo.gov/content/pkg/FR-2023-02-14/pdf/2023-01617.pdf\)](https://www.govinfo.gov/content/pkg/FR-2023-02-14/pdf/2023-01617.pdf) implementing the income and asset provisions was published in the *Federal Register* on February 14, 2023. [Notice PIH 2023-27/H 2023-10 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf) was posted on September 29, 2023 and revised on February 2, 2024, providing detailed guidance for implementing the final rule provisions. [Notice PIH-2023-03 \(https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-03pihn.pdf\)](https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-03pihn.pdf) provides more guidance on implementing the over income provisions, detailing the notifications that a PHA must provide to households if they are about to be over income or have continued to be over income after 12 months and after 24 months.

On September 18, 2024, PIH sent an [email to PHAs](#).

(<https://nlihc.org/sites/default/files/September-18-2024-Blom-Email.pdf>) informing them that they would not have to comply with the income and asset provisions of HOTMA on January 1, 2025 because PIH's new Housing Information Portal (HIP) was not ready (HIP is intended to replace PIH's IMS/PIC system to accommodate HOTMA changes). The email informed PHAs that PIH will issue guidance on additional HOTMA provisions that can be implemented, and that in the meantime, PHAs should refer to [FAQs \(https://tr.ee/o78Lox\)](https://tr.ee/o78Lox) for provisions that currently may be implemented and guidance related to updating Admission and Continued Occupancy Policies (ACOPs) and Administrative Plans.

The National Housing Law Project updated its "[Quick Reference Guide to Implementation of Title I of the Housing Opportunity Through Modernization Act \(HOTMA\)](https://www.nhlp.org/wp-content/uploads/HOTMA-Reference-Guide.pdf)" (<https://www.nhlp.org/wp-content/uploads/HOTMA-Reference-Guide.pdf>) on November 19, 2024.

THE NATIONAL STANDARDS FOR PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

The National Standards for Physical Inspection of Real Estate (NSPIRE) is a protocol intended to align, consolidate, and improve the physical inspection regulations that apply to multiple HUD-assisted housing programs ([24 CFR part 5 Subpart G, https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-G?toc=1](https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-G?toc=1)). NSPIRE replaces the Uniform Physical Condition Standards (UPCS) developed in the 1990s, and it absorbs much of the Housing Quality Standards (HQS) regulations developed in the 1970s. NSPIRE physical inspections focus on three areas: the housing units where HUD-assisted residents live, elements of their building's non-residential interiors, and the outside of buildings, ensuring that components of these three areas are "functionally adequate, operable, and free of health and safety hazards."

NSPIRE applies to all HUD housing previously inspected by HUD's Real Estate Assessment Center (REAC), including Public Housing and Multifamily Housing programs such as Section 8 Project-Based Rental Assistance (PBRA), Section 202 Supportive Housing for

the Elderly, Section 811 Supportive Housing for Persons with Disabilities, and FHA Insured multifamily housing. NSPIRE also applies to HUD programs previously inspected using the Housing Quality Standards (HQS) regulations: the HCV program (including Project-Based Vouchers, PBVs) and the programs administered by the Office of Community Planning and Development (CPD) - HOME Investment Partnerships (HOME), national Housing Trust Fund (HTF), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grants (ESG), and Continuum of Care (CoC) homelessness assistance programs.

HUD published a [final rule \(https://www.govinfo.gov/content/pkg/FR-2023-05-11/pdf/2023-09693.pdf\)](https://www.govinfo.gov/content/pkg/FR-2023-05-11/pdf/2023-09693.pdf) implementing the National Standards for Physical Inspection of Real Estate (NSPIRE) in the *Federal Register* on May 11, 2023. The new inspection protocol started on July 1, 2023 for public housing and on October 1, 2023 for the various programs of HUD's Office of Multifamily Housing Programs, such as PBRA, Section 202, and Section 811. The Housing Choice Voucher (HCV) and Project-Based Voucher programs will not need to implement the NSPIRE changes until February 1, 2027, (postponed from October 1, 2025, after previously being postponed from October 1, 2024), although a PHA could voluntarily implement NSPIRE before then.

HUD has published three "Subordinate Notices" that supplement the final rule addressing NSPIRE "standards," "scoring," and "administration." The intent of issuing the subordinate notices instead of incorporating their content in regulation is to enable HUD to more readily provide updates as appropriate.

For more information about NSPIRE, see the *National Standards for Physical Inspection of Real Estate (NSPIRE)* article in this *Advocates' Guide*.

STREAMLINING RULE

A final “streamlining rule” (<https://www.govinfo.gov/content/pkg/FR-2016-03-08/pdf/2016-04901.pdf>) was published on March 8, 2016, implementing provisions of the “FAST Act.” Key public housing provisions include:

- PHAs have the option of conducting a streamlined income determination for any household member who has a fixed source of income (such as Supplemental Security Income, SSI). If that person or household member with a fixed income also has a non-fixed source of income, the non-fixed source of income is still subject to third-party verification. Upon admission to public housing, third-party verification of all income amounts will be required for all household members. A full income reexamination and redetermination must be performed every three years. In between those three years, a streamlined income determination must be conducted by applying a verified cost of living adjustment or current rate of interest to the previously verified or adjusted income amount.
- PHAs have the option of providing utility reimbursements on a quarterly basis to public housing residents if the amounts due were \$45 or less. PHAs can continue to provide utility reimbursements monthly if they choose. If a PHA opts to make payments on a quarterly basis, the PHA must establish a hardship policy for tenants if less frequent reimbursement will create a financial hardship.
- Public housing households may now self-certify that they are complying with the community service requirement. PHAs are required to review a sample of self-certifications and validate their accuracy with third-party verification procedures currently in place.
- Many of the requirements relating to the process for obtaining a grievance hearing and the procedures governing the hearing were eliminated.

SMOKE FREE PUBLIC HOUSING

A final “smoke free” rule (<https://www.govinfo.gov/content/pkg/FR-2016-12-05/pdf/2016-28986.pdf>) was published on December 5, 2016. PHAs had to design and implement a policy prohibiting the use of tobacco products in all public housing living units and interior

areas (including but not limited to hallways, rental and administrative offices, community centers, daycare centers, laundry centers, and similar structures), as well as outdoor areas within 25 feet of public housing and administrative office buildings (collectively referred to as “restricted areas”). PHAs may, but are not required to, further limit smoking to outdoor designated smoking areas on the grounds of the public housing or administrative office buildings to accommodate residents who smoke. These areas must be outside of any restricted areas and may include partially enclosed structures. PHAs had until August 2018 to develop and implement their smoke-free policy.

CARBON MONOXIDE DETECTORS

“The Consolidated Appropriations Act of 2021” required Carbon Monoxide (CO) alarms or detectors to be installed in each public housing unit, as well as other HUD-assisted properties, by December 27, 2022. HUD issued joint Notice PIH 2022-01/H 2022-01/OLHCHH 2022-01 clarifying that it will enforce this requirement. PHAs may use either their Operating Funds or Capital Funds to purchase, install, and maintain CO alarms or detectors. In addition, the act provided a set-aside in the Capital Fund Program that PHAs can compete for to secure additional funds for CO alarms or detectors.

Recent Rulemaking

PIH published (<https://www.govinfo.gov/content/pkg/FR-2024-11-04/pdf/2024-25469.pdf>) on November 4, 2024, proposed changes to the Public Housing Assessment System (PHAS) regulations ([24 CFR part 902, https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-902?toc=1](https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-902?toc=1)). PHAS is a tool PIH uses to assess how public housing agencies (PHAs) manage their public housing. The preamble to the proposed rule states that the proposed changes would revise the weight of the PHAS “indicators” to emphasize the importance of public housing occupancy, financial condition, and physical assessments. However, it is not clear how greater weight might be given for the importance of physical assessments. PIH specifically requested comments on ten topics. See NLIHC [November 12, 2024 Memo to Members article \(https://tr.ee/TdyVnf\)](https://tr.ee/TdyVnf) for a summary. NLIHC submitted

[comments \(https://nlihc.org/sites/default/files/NLIHC_Comment_Letter_PHAS.pdf\)](https://nlihc.org/sites/default/files/NLIHC_Comment_Letter_PHAS.pdf) on January 3, 2025. At the time of this *Advocates' Guide* publication, HUD has not issued a final rule.

Forecast for 2026

During its first year back in office, the second Trump administration made and proposed changes in HUD that would negatively impact public housing residents. Between January and May 2025, around 23% of HUD staff left their positions; more have left since, and during the October 1–November 12 government shutdown in 2025, the Trump administration attempted to fire another 442 employees who had been furloughed during the shutdown. At a broad level, the staffing cuts at HUD will make it more difficult to effectively operate and maintain public housing. Cuts have included staff that coordinate and manage physical inspections for federally assisted housing, including public housing.

Additionally, there will likely be several proposed rules in 2026 that could have a negative impact on public housing residents. Advocates will have the opportunity to weigh in on these rules through the public comment process and other means.

MIXED STATUS LEAKED PROPOSED RULE

In September 2025, *ProPublica* published a leaked proposed rule for HUD programs that would impact “mixed-status families” receiving HUD assistance. “Mixed-status families” refer to households with at least one member who is a citizen of the United States or an eligible immigrant, living with one or more household members who are not eligible for HUD assistance based on their immigration status. Current rules allow mixed-status families to live together in HUD-subsidized housing if the housing assistance covers eligible (U.S. citizen or eligible immigrant) members only. Family members who do not claim to have HUD-eligible immigration status do not receive assistance, but they can continue to live with family members who do receive HUD housing assistance.

In 2019, under the first Trump administration, HUD proposed a mixed-status rule that would have forced impacted households to choose between separating as a family to keep their subsidy or face eviction and potentially homelessness. The final rule was never published and finally withdrawn during the Biden administration in 2021. HUD’s leaked draft proposed mixed-status rule repeats the Trump administration’s 2019 efforts to break up or evict mixed-status families in HUD-assisted housing. Features of the draft rule include:

- Eliminating a family member’s right to contend eligibility, meaning that every family member in a household under age 62 would need to be of eligible immigration status under Section 214 for the family to receive HUD housing assistance.
- Eliminating prorated assistance for mixed-status families.
- Requiring all HUD-assisted tenants, regardless of age, to verify their eligible immigration status.

A proposed rule has not yet been published in the *Federal Register*. When a proposed rule is published, advocates will have the opportunity to submit comments.

For more information about mixed-status families and immigrants’ access to housing, see the *Housing Access for Immigrant Households* article in this *Advocates’ Guide*.

WORK REQUIREMENTS AND TIME LIMITS LEAKED PROPOSED RULE

The same *ProPublica* report leaking HUD’s “Mixed-Status” rule also leaked the text of a proposed rule that would increase barriers to accessing and maintaining housing by implementing work reporting requirements and time limits for households receiving housing assistance, including those living in public housing. The proposed rule would not mandate work requirements and time limits but would instead permit PHAs to implement these policies at their discretion. Residents

could be required to work up to 40 hours a week, and time limits could be as short as two years.

Proposals like work requirements and time limits for housing and other programs like the Supplemental Nutrition Assistance Program (SNAP) and Medicaid are often proposed with the idea of encouraging self-sufficiency. However, rather than promoting self-sufficiency, proposals like time-limits and work requirements [impose unnecessary, bureaucratic barriers \(https://tr.ee/2Hx8jd\)](https://tr.ee/2Hx8jd) to obtaining and maintaining housing assistance, making it more difficult for individuals and families to find safe, stable housing, and more difficult to find and maintain employment.

A proposed rule has not yet been published in the *Federal Register*. When a proposed rule is published, advocates will have the opportunity to submit comments.

PUBLIC CHARGE RULE

The U.S. Department of Homeland Security (DHS) released a [proposed “public charge” rule \(https://public-inspection.federalregister.gov/2025-20278.pdf\)](https://public-inspection.federalregister.gov/2025-20278.pdf), published to the *Federal Register* on November 19, 2025, with a 30-day comment period ending December 19, 2025. The rule does not explicitly list the services that could be considered in a public charge test when applying for a visa or green card; in failing to do so, the rule creates a chilling effect, stoking fear that stops eligible households from applying for essential resources like housing, healthcare, and food assistance. Until the DHS rule is finalized, the Biden administration’s 2022 public charge rule remains in effect. NLIHC submitted a comment on the proposed rule on December 19, 2025.

The U.S. Citizenship and Immigration Services (USCIS) uses the “public charge” test to determine admission into the U.S. or approval for a green card. An individual is deemed a “public charge” if they are identified as someone likely to depend on government benefits as their main source of support, which is grounds for them to be denied entry or green card status. Under

the [Biden \(https://public-inspection.federalregister.gov/2022-18867.pdf\)](https://public-inspection.federalregister.gov/2022-18867.pdf) public charge rule, implemented in 2022, use of several health and social services is not considered in a public charge determination, including housing assistance programs such as public housing, Housing Choice Vouchers, and Project-Based Rental Assistance (PBRA).

In 2019, the first Trump administration attempted to include these benefits in the public charge test through a proposed rule, which received pushback from advocates and was ultimately reversed. Now, the second Trump administration’s proposed public charge [rule \(https://tr.ee/ba0Rdr\)](https://tr.ee/ba0Rdr) aims to consider “all factors and information relevant to an alien’s likelihood at any time of becoming a public charge.” The rule allows critical services to be considered—without specifying the programs under consideration—and removes the 2022 regulatory provisions. If finalized, this rule would harm immigrant families’ access to key services, including housing, by creating a culture of inaccessibility and fear.

NLIHC will monitor the *Federal Register* in 2026 for updates. For more information about the history of public charge, see the Housing Access for Immigrant Households article in this *Advocates’ Guide*.

What to Say to Legislators

Advocates should ask members of Congress to:

- Reinstatement and maintain adequate staffing at HUD to effectively run public housing and other HUD programs.
- Maintain and increase funding for the public housing Operating and Capital Funds.
- Support public housing as a way to end all types of homelessness.

For More Information

NLIHC, 202-662-1530, www.nlihc.org

NLIHC's Public Housing webpage, <https://nlihc.org/explore-issues/housing-programs/public-housing>

National Housing Law Project, 415-546-7000, <http://nhlp.org/resourcecenter?tid=34>

Center for Budget and Policy Priorities, 202-408-1080, <http://www.cbpp.org/topics/housing>

HUD's Public Housing homepage, https://www.hud.gov/program_offices/public_indian_housing/programs/ph

HUD's Public Housing Data Dashboard, https://www.hud.gov/program_offices/public_indian_housing/programs/ph/PH_Dashboard

PD&R's Picture of Subsidized Housing, <https://www.huduser.gov/portal/datasets/assthsg.html>

PIH's HOTMA homepage, https://www.hud.gov/program_offices/public_indian_housing/hotmaresources

HUD's HOTMA webpage on HUD Exchange, https://www.hudexchange.info/programs/hotma/?utm_medium=email&utm_source=govdelivery

HOTMA Resident Fact Sheets on HUD Exchange website, <https://www.hudexchange.info/programs/hotma/hotma-income-and-assets/#resident-resources>

The National Housing Law Project's updated "[Quick Reference Guide to Implementation of Title I of the Housing Opportunity Through Modernization Act \(HOTMA\)](#)"

NLIHC's Summary of September 17, 2019, proposed HOTMA implementation regulations, <https://bit.ly/2kr70dt>

HUD's Public Housing Occupancy Guidebook, https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mod/guidebook

HUD's Rental Assistance Demonstration homepage, <https://www.hud.gov/RAD>

HUD's Public Housing Repositioning homepage, https://www.hud.gov/program_offices/public_indian_housing/repositioning

HUD's Moving to Work expansion page, <https://www.hudexchange.info/programs/mtw/>

HUD's Choice Neighborhoods homepage, <https://www.hudexchange.info/programs/choice-neighborhoods/>