

NLIHC'S ANALYSIS OF THE HOUSE FISCAL YEAR (FY) 2027 SPENDING BILL FOR HUD PROGRAMS



OVERVIEW

The U.S. House of Representatives Committee on Appropriations released on May 20 their fiscal year (FY) 2027 Transportation, Housing, and Urban Development (THUD) [spending bill](#), which provides annual funding for the vital HUD programs and services people and communities rely on for affordable, accessible housing, rental assistance, homelessness services, and community development programs. The proposal would fund HUD at \$71.38 billion, a \$5.94 billion, or over 8%, cut from the \$77.3 billion provided for HUD programs in FY26. For details, see NLIHC's [updated budget chart](#).

Overall, the House's FY27 appropriations bill for HUD would likely be inadequate to ensure continued assistance for the families and communities with low incomes served by HUD programs:

- The House appropriations bill provides \$35.4 billion for contract renewals under the Tenant-Based Rental Assistance (TBRA) program, an increase of only \$496 million, or less than 1.5%, from the final FY26 spending bill, and even less than the 1.7% increase proposed in the White House's FY27 budget request. This would likely be insufficient to cover the cost of fully renewing all existing TBRA contracts, including the over [46,000 households](#) who still rely on an Emergency Housing Voucher (EHV) to keep a roof over their heads. Without sufficient funding for contract renewals, Public Housing Agencies (PHAs) cannot reissue vouchers when a household no longer needs one, leading to a drop in the number of vouchers available to help families. When funding is vastly insufficient to cover renewal costs, families currently receiving TBRA are at risk of losing the assistance they rely on to afford the cost of rent.
- The House's FY27 THUD spending bill would not take up the White House's proposal to recast HUD's Homeless Assistance Grant (HAG) program as an "expanded Emergency Solutions Grants (ESG) program" by eliminating Continuums of Care (CoCs). The bill would provide level funding of \$290 million for ESG and cut funding for CoCs by \$232 million - over 5.7% - from FY26, for a total of \$3.78 billion. CoCs provide Permanent Supportive Housing (PSH) and other long-term, supportive services to help people experiencing homelessness find long-term, stable housing. Cuts to CoC funding would likely force programs to limit services, and in some cases may result in people who had previously been experiencing homelessness losing their housing assistance.
- The bill would also cut funding for public housing capital needs by \$914 million, a decrease of nearly 29% from FY26, for a total of \$2.28 billion. Similarly, funding for public housing operations would decrease by \$287 million, for a total of \$4.73 billion in FY27 - a 5.7% decrease from the previous fiscal year. For decades, the federal government has failed to adequately invest in the operation and upkeep of the nation's public housing stock, leaving this vital source of deeply affordable housing in a state of disrepair, and exposing the people living in public housing to unsafe, unhealthy conditions.

- The House’s FY27 THUD spending bill would provide slight funding increases to HUD’s Section 811 Housing for Persons with Disabilities program and Section 202 Housing for the Elderly program of 2.7% and 3%, respectively, for a total of \$295 million for Section 811 and \$1.06 billion for Section 202. The challenges of finding an affordable, available home are compounded for people who also need an *accessible* home; as a result, people with disabilities and older adults are disproportionately likely to experience housing insecurity and homelessness. Programs like Section 811 and Section 202 help communities afford the cost of building, operating, and maintaining deeply affordable, accessible homes.
- The House bill would allocate over \$1.15 billion for HUD’s Indian Housing Block Grant (IHBG) program, an increase of \$46 million, or 4%, from the FY26 enacted spending bill. The IHBG-Competitive program would receive level funding from FY26, \$125 million. Native communities have some of the most urgent affordable housing and infrastructure needs in the country, and HUD’s IHBG and IHBG-C programs play an important role in ensuring federal assistance reaches tribal nations.
- The bill rejects the White House’s request to impose arbitrary and needless time limits and work reporting requirements on recipients of HUD assistance.
- In addition, the House’s FY27 spending bill for HUD programs proposes permanently rescinding unobligated balances from the final FY25 HUD spending bill, including:
 - “Any unobligated balances” for the Community Development Fund.
 - Over \$126 million for Project-Based Rental Assistance (PBRA).
 - \$75 million for the Section 202 Housing for the Elderly program.
 - \$98 million for the Section 811 Housing for Persons with Disabilities program.
 - \$55 million for Fair Housing and Equal Opportunity programs.
 - \$58 million for Housing Counseling Assistance.

With the release of its draft FY27 spending bill, the House Appropriations THUD subcommittee will next review and propose amendments to the bill (a process known as “markup”) on [May 21](#), while the full House Appropriations Committee will markup the bill on [June 4](#). The Senate Appropriations Committee has yet to announce its schedule for releasing and reviewing their draft FY27 THUD spending bill.

DETAILED ANALYSIS

Tenant-Based Rental Assistance

The House proposed a \$356 million decrease in funding for Tenant-Based Rental Assistance (TBRA) in FY27, bringing total funding for the program to \$38 billion. This includes \$35.4 billion to renew existing HCV contracts, an only \$496 million, or 1.5%, increase from FY26 and even less than the 1.7% increase proposed in the President’s FY27 budget request. This would likely be insufficient to cover the cost of fully renewing all existing TBRA contracts.

Because the cost of rent increases from year-to-year, flat funding acts as a cut to rental assistance programs, so it is crucial that TBRA receive increased annual funding just to maintain services for currently assisted households. Without sufficient increases, HUD may be

unable to ensure all current TBRA contracts are fully renewed, resulting in the loss of vouchers through attrition – once a household no longer needs their voucher, rather than being reissued the voucher is taken offline, decreasing the number of vouchers available to help families in need.

TBRA, like all rental assistance programs, is vastly underfunded compared to the level of need. Only one in four households who qualify for any kind of rental assistance receive it, leaving the other 75% of otherwise eligible families to languish on waitlists while they struggle affording the cost of rent. If funding is cut, currently assisted households would be at risk of losing the assistance they rely on for safe, stable, affordable homes. Failing to fully renew all existing TBRA contracts would represent a massive step backwards in the fight for housing stability.

The bill does not provide funding for new vouchers under the Veteran Affairs Supportive Housing (VASH) program. On May 15, the House passed its Military Construction, Veterans Affairs, and Related Agencies (MilCon-VA) [FY27](#) bill, which included \$3.8 billion for “Veterans Affairs homeless assistance programs.” The MilCon-VA bill notes “the value and impact of the HUD-VA Supportive Housing (VASH) program,” and “recommends that VA’s budget for case managers be increased commensurate with any increases in HUD’s budget for new vouchers;” however, the House’s HUD bill did not provide funding for new VASH vouchers. The Tribal VASH program, which serves Native veterans, would receive level funding at \$10 million.

The bill would provide flat funding for Family Unification program (FUP) vouchers at \$30 million. The House’s bill would not provide funding for new incremental vouchers in the FY27 budget, nor would it provide funding for new Section 811 Mainstream vouchers.

In addition, the bill cuts funding for the Tenant Protection Voucher (TPV) program by over 50%, from \$601 million in the final FY26 spending bill to \$300 million in the House’s FY27 bill. Congress provided additional TPV funding in the FY26 spending bill to help ensure PHAs could continue serving households with expiring Emergency Housing Voucher (EHV) contracts, but more funding will be needed in a final FY27 spending bill to ensure the over [46,000 households](#) who still rely on an EHV continue receiving assistance and are not pushed back into homelessness. PHAs are also still waiting for guidance from HUD on how to use TPV funding to continue serving EHV families; HUD should release this guidance as soon as possible.

Project-Based Rental Assistance

In addition, the bill cuts funding for the Tenant Protection Voucher (TPV) program by over 50%, from \$601 million in the final FY26 spending bill to \$300 million in the House’s FY27 bill. Congress provided additional TPV funding in the FY26 spending bill to help ensure PHAs could continue serving households with expiring Emergency Housing Voucher (EHV) contracts, but more funding will be needed in a final FY27 spending bill to ensure the over 46,000 households who still rely on an EHV continue receiving assistance and are not pushed back into homelessness. PHAs are also still waiting for guidance from HUD on how to use TPV funding to continue serving EHV families; HUD should release this guidance as soon as possible.

Homelessness Assistance

The House calls for \$4.16 billion for Homeless Assistance Grants (HAG), a decrease of \$257 million, or nearly 6%, from FY26-enacted levels. The proposal would provide flat funding - \$290 million - for the Emergency Solutions Grants (ESG) program, and would decrease funding for CoCs by \$232 million from FY26, for a total of \$3.78 billion.

HAG provides crucial funding for communities to address the needs of people experiencing homelessness. With more people experiencing housing insecurity and falling into homelessness, more funding is needed for communities to sufficiently address the needs of unhoused neighbors, including finding safe, stable, affordable housing. Over the course of 2024, homelessness response systems only had enough housing for [16% of households](#) in shelter, which does not account for those currently residing outside. To ensure that life-saving programs can continue to operate, NLIHC and the National Alliance to End Homelessness are calling on Congress to provide at least \$5.1 billion in FY27 funding for the HAG program.

Public Housing

The spending bill would allocate \$2.28 billion to public housing capital needs, a decrease of \$914 million - nearly 29% - from the \$3.2 billion provided in FY26. In addition to formula funding, the House's bill for FY27 would provide \$30 million in funding for emergency/disaster grants, level funding from the previous year.

The bill provides \$4.73 billion for public housing operating costs, a decrease of \$287 million from FY26. Operating support includes both formula funding and an additional \$50 million, to be allocated based on need.

Eviction Protection Grants

The House does not provide funding for HUD's Eviction Protection Grant Program (EPGP). The EPGP program, first authorized in 2021, provides communities with funding to provide people facing eviction with legal aid services and other resources to help prevent evictions before they occur.

Native Housing

The House FY27 spending bill would provide the Indian Housing Block Grant program with \$1.15 billion, an increase of \$46 million, or 4%, from the previous fiscal year, and provide level funding of \$125 million for the IHBG-Competitive program.

The House proposal would provide \$15 million for the Native Hawaiian Housing Block Grant program, which received \$22 million in the FY26 budget - a nearly 47% decrease in funding.

Other Affordable Housing and Community Development Programs

The House bill includes \$1.06 billion for the Section 202 Housing for the Elderly program, an increase of \$30 million, or 3%, from FY26. This includes \$122 million for service coordinator contracts, flat funding from the previous year.

The proposal would provide \$295 million for the Section 811 program to support affordable, accessible housing for people with disabilities, an \$8 million, or 2.7%, increase from FY26 enacted levels. It is not clear whether this funding would be sufficient to renew all existing Section 202 and Section 811 contracts.

As with other rental assistance programs, it is crucial that Section 202 and Section 811 accounts receive increased funding every year to maintain the number of people being served by these programs. Cuts or insufficient renewal funding could cause the older adults and people with disabilities who rely on these programs to lose their housing assistance, putting them at risk of housing instability, eviction, and in the worst cases, homelessness. These programs also provide key financing for the construction and operation of deeply affordable, accessible rental homes for older adults and people with disabilities; any cuts to the programs' funding would delay housing construction and further exacerbate the affordable housing shortage.

The House bill would provide level funding of \$3.3 billion for the Community Development Block Grant (CDBG) program, and \$2.52 billion for Economic Development Initiatives (EDI) projects, better known as "earmarks," which are spending requests submitted by members of Congress for specific projects in their districts.

The bill would eliminate CDBG's competitive PRO Housing Grants program, which provides grants to encourage communities to adopt more inclusionary zoning practices to allow for the development of affordable housing. The program received \$50 million in the FY26 budget. The President's FY27 budget request eliminated both the CDBG and PRO-Housing grant programs.

The House proposes funding the HOME Investment Partnerships Program (HOME) at \$500 million, a decrease of \$750 million, or 60%, from the \$1.25 billion in funding the program received in FY26. The Choice Neighborhoods Program, which was funded at \$25 million the previous fiscal year, would not receive funding in the House bill. Both HOME and the Choice Neighborhoods Program were eliminated in the President's FY27 spending request.

The bill would not provide funding for the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program, first funded in FY23 to provide grants to preserve and vitalize manufactured housing communities. The PRICE program did not receive funding in the FY26 budget.

Under the House's proposal, the Housing Opportunities for People with AIDS (HOPWA) program would receive level funding, \$529 million, in FY27. The President's FY27 spending request would not provide funding for HOPWA.

The Family Self-Sufficiency program is funded at \$125 million, a \$31 million decrease from FY26-enacted levels. This program would not receive funding in the President's FY27 spending proposal.

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 homeownerships goals - would receive \$26 million in the House proposal, a \$32.6 million decrease, or nearly 58% cut, from FY26. The President's FY27 budget request did not include funding for Housing Counseling Assistance.

Healthy Homes

The bill would provide flat funding, \$296 million, to the Office of Lead Hazard Control and Healthy Homes' grants. The President's budget request would reduce funding for the program to \$110 million.

Fair Housing

The House proposal calls for drastically decreasing funding for HUD's Office of Fair Housing and Equal Opportunity by nearly 44%, or \$37.9 million from the previous fiscal year, for a total of \$48.5 million.

The budget would provide \$20 million for the Fair Housing Initiatives Program (FHIP) - a 64% decrease from FY26. FHIP 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.

Under the House's proposal, the Fair Housing Assistance Program (FHAP) would receive \$26 million, a decrease of \$400,000 from the FY26 budget. FHAP funds state and local agencies responsible for processing Fair Housing Act complaints.

U.S. Interagency Council on Homelessness (USICH)

The House THUD spending bill would provide \$200,000 for USICH. The agency received \$3 million in FY26 - an over 93% cut to the agency.

Other Provisions

The House's proposal would remove the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" 30-day eviction notice requirement, which requires HUD-assisted housing providers to give tenants at risk of eviction notice of at least 30 days before carrying out an eviction action.

The House bill would undermine efforts to curb the harmful impacts of climate change by restricting HUD's ability to use appropriated funds to update minimum energy efficiency standards for new HUD-funded housing, as outlined in the federal notice, "Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing."

