

NLIHC'S ANALYSIS OF HOUSE APPROPRIATIONS COMMITTEE DRAFT FY26 SPENDING BILL



OVERVIEW:

The U.S. House of Representatives Committee on Appropriations released their draft fiscal year (FY) 2026 Transportation, Housing and Urban Development (THUD) [spending bill](#) on July 13. The THUD spending bill 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 House's proposal would fund HUD at \$67.8 billion, a decrease of \$939 million from FY25. For details, see [NLIHC's updated budget chart](#).

While this means lower funding levels for key affordable housing programs than last year, the House's spending bill largely rejects the severe cuts proposed by President Trump in his FY26 HUD spending request, which would have damaging impacts on the people and communities HUD programs serve. Key implications for affordable housing programs are detailed below:

- The House draft does not include the White House's proposal to combine HUD's five largest rental assistance programs—Housing Choice Vouchers (HCVs), Project-Based Rental Assistance (PBRA), Section 202 Housing for the Elderly, Section 811 Housing for People with Disabilities, and public housing—into a state-run block grant, which would then be cut by an additional 43% in the president's proposal. The House bill proposes a \$773 million decrease for the voucher program overall and level funding—\$32.14 billion—for voucher renewals. Flat funding is not sufficient to renew all existing HCV contracts and would result in fewer households being served by the program.
- The House draft also does not include additional funding to ensure the continuation of HUD's Emergency Housing Voucher (EHV) program, which provides rental assistance to households previously experiencing housing insecurity or homelessness. However, the bill would allow money provided for Tenant Protection Vouchers (TPV) to be used for EHV. Nearly [60,000 households](#) currently rely on an EHV to keep a roof over their heads, and without additional funding for the program—or sufficient funding to integrate EHV holders into the HCV program—these households will be at risk of losing their assistance

and being pushed back into homelessness.

- The House draft does not include the White House’s proposal to consolidate HUD’s Homeless Assistance Grants (HAG) and the Housing Opportunities for People with AIDS (HOPWA) program into the Emergency Solutions Grant (ESG) program while also zeroing-out HOPWA funding. Instead, the House bill would provide \$4.158 billion in funding for HUD’s HAG program, a \$107 million increase from the \$4.05 billion provided in the final FY25 bill and will continue funding HOPWA as a separate account at \$505 million.
- The House draft FY26 spending bill would cut HUD staff by 26%, consistent with reductions implemented by HUD Secretary Scott Turner. Rather than improving efficiency, such drastic staffing cuts at HUD will cause significant, harmful, and costly delays and will worsen America’s affordable housing and homelessness crisis, as well as significantly impair disaster recovery response.
- The House draft bill includes problematic policy proposals, including a proposal that would provide HUD with broad flexibility to allow public housing authorities (PHAs) to waive or create alternatives to key statutory requirements, which could allow for harmful work requirements and time limits.

With the release of its draft FY26 spending bill, the House Appropriations THUD subcommittee [has started](#) the process of reviewing and proposing amendments to the bill (a process known as “markup”) while the full House Appropriations Committee will markup the bill on [July 17](#). The Senate Appropriations Committee has yet to announce its schedule for releasing and reviewing its draft FY26 THUD spending bill.

DETAILED ANALYSIS:

Tenant-Based Rental Assistance

The House proposed a \$773 million decrease in funding for Tenant-Based Rental Assistance (TBRA) in FY26, bringing total funding for the program to \$35.26 billion. This includes level funding, \$32.14 billion, to renew existing HCV contracts.

Because the cost of rent increases from year to year, flat funding acts as a cut to rental assistance programs. Therefore, it is crucial that TBRA receive increased annual funding just to maintain services. 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 and the number of vouchers available to help families in need is decreased. For example, the FY25 spending bill failed to provide sufficient funding for contract renewals, putting an estimated 32,000 HCVs at risk of being lost through attrition over the next

decade. Without additional funding in the FY26 bill, even more vouchers will be at risk of being lost.

The TBRA program is already vastly underfunded, with only one in four households that qualify for TBRA receiving the assistance they need; if funding is cut, currently assisted households would be at risk of losing the assistance they rely on to access safe, stable, affordable homes. Failing to fully renew all existing TBRA contracts would represent a massive step backward in the fight for housing stability.

The bill also does not provide additional funding for the Veteran Affairs Supportive Housing (VASH) Program, moving vouchers for veterans into a new Bridging Rental Assistance for Veteran Empowerment (BRAVE) Program that would be administered by the Department of Veterans Affairs (VA). The House Appropriations Committee has [already approved](#) \$970 million for BRAVE in their draft FY26 spending bill for Military Construction, Veterans Affairs, and Related Agencies. Tribal VASH, which serves Native veterans, would receive up to \$10 million.

The bill would provide level funding, \$743 million, for Section 811 mainstream vouchers. The draft would provide \$30 million for Family Unification Program (FUP) vouchers specifically for foster youth. The House's draft bill would not provide funding for incremental vouchers in the FY26 budget.

EHV Program

The draft FY26 spending bill would allow funds provided for Tenant Protection Vouchers to be used for EHVs. Created in the "American Rescue Plan Act of 2021," the EHV program provided \$5 billion for the creation of new vouchers, targeted to people and families at risk of or experiencing homelessness, as well as those escaping intimate partner violence or human trafficking. EHVs have been wildly successful, and currently help ensure [nearly 60,000 households](#) experiencing or on the verge of homelessness can afford a place to call home.

While funding for the program was originally slated to last until 2030, the drastic increase in the cost of rent has drained the EHV account much more quickly than anticipated; as a result, funding for the program is expected to run out partway through 2026, with some agencies running out of funding as soon as the end of the calendar year. Congress must provide funding to continue the EHV program; barring continued funding, Congress should provide sufficient funding for agencies to successfully integrate EHV recipients into the HCV program.

Project-Based Rental Assistance

The House spending proposal would provide \$17.12 billion to renew PBRA contracts, an increase of \$237 million from FY25 funding levels. As with TBRA, increased funding for PBRA is crucial to maintain the level of services provided to households in need. PBRA also helps finance the construction and operation of affordable housing units, so any funding decrease would impact the construction of new affordable housing.

Homelessness Assistance

The House calls for \$4.16 billion for HAG, an increase of \$107 million from FY25 enacted levels. HAG provides crucial funding for communities to address the needs of people experiencing homelessness. While this increase is welcome, with the dramatic rise in the number of people experiencing homelessness, more funding is needed for communities to sufficiently address the needs of unhoused neighbors, including finding safe, stable, and affordable housing. NLIHC is calling on Congress to provide at least \$4.922 billion in FY26 funding for the HAG program.

Public Housing

The spending bill would allocate \$2.28 billion to public housing capital needs, a decrease of \$1.12 billion from the \$3.41 billion provided in FY25. In addition to formula funding, the House bill includes \$30 million in funding for emergency/disaster grants.

The bill provides \$5 billion for public housing operating costs, a decrease of \$501 million from FY25.

Eviction Protection Grants

The House proposal 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 FY26 spending bill would provide the Indian Housing Block Grant Program with level funding, \$1.1 billion, and provide level funding for the competitive Tribal Housing Program at \$150 million.

The House proposal would provide \$18.3 million for the Native Hawaiian Housing Block Grant Program, a decrease of \$4 million from the FY25 budget.

Other Affordable Housing and Community Development Programs

The House bill includes \$950 million for the Section 202 Housing for the Elderly Program, an increase of \$19 million from FY25. The proposal would provide \$261.8 million for the Section 811 Program to support affordable, accessible housing for people with disabilities, a \$5.1 million increase from FY25 enacted levels. It is not clear whether this funding would be sufficient to renew all voucher 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 the 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. Additionally, these programs 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, \$3.3 billion, for the Community Development Block Grant (CDBG) Program. Of that amount, approximately \$2.3 billion is slated for Community Project Funding, 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 \$100 million in the FY25 budget. The president's FY26 budget request eliminates both the CDBG and PRO-Housing grant programs.

The House proposes no funding for the HOME Investment Partnerships Program (HOME). The Choice Neighborhoods Program, which was funded at \$75 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 FY26 spending request.

As with the president's FY26 spending request, the House 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.

Under the House's proposal, the Housing Opportunities for People with AIDS (HOPWA) program would receive level funding, \$505 million, in FY26. The president proposed incorporating the HOPWA program into the HAG program and zeroing-out HOPWA funding in his FY26 spending request.

The Family Self-Sufficiency program is funded at \$125 million, a \$16 million decrease from FY25-enacted levels. This program would not receive funding in the president's FY26 spending proposal.

Healthy Homes

The bill would provide \$296 million to the Office of Lead Hazard Control and Healthy Homes' grants, a decrease of \$49 million from FY25. The president's budget request would not provide additional funding for this program.

Fair Housing

The House calls for decreasing funding for HUD's Office of Fair Housing and Equal Opportunity by \$58 million from the previous fiscal year, for a total of \$29 million.

U.S. Interagency Council on Homelessness (USICH)

As in the president's FY26 appropriations request, the House THUD spending bill would not fund USICH. The agency received \$4 million in FY25.

HUD Staff Cuts

The House bill proposes cutting HUD staff by 26%, consistent with reductions in force implemented by HUD Secretary Turner. Without adequate funding for federal housing and homelessness programs—and without the staff to administer and oversee these funds—states and communities will face new barriers to accessing the critical federal resources they rely on to pay rent, build affordable housing, address homelessness, recover from disasters, revitalize distressed communities, promote homeownership, enforce fair housing laws, and more. Rather than improving efficiency, such drastic staffing cuts at HUD will cause significant, harmful, and costly delays and will worsen America's affordable housing and homelessness crisis, as well as hamper disaster recovery efforts.

Other Provisions

The House draft bill would allow PHAs to waive or create alternatives to key statutory requirements, such as eligibility requirements and definitions, income definitions, or rent calculations, which could be used to allow work requirements, time limits, and rent increases.

The bill proposes banning “local jurisdictions that refuse to comply with a request from the Department of Homeland Security to provide advance notice of the scheduled release of an immigrant without legal documentation” from receiving appropriated funds. These cities are more commonly known as “sanctuary cities.”

The bill would also 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.”](#)

The House draft bill 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.

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

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