

NLIHC ANALYSIS OF TRUMP ADMINISTRATION'S FY26 BUDGET REQUEST



DETAILED ANALYSIS:

Significant cuts and changes to HUD's rental assistance programs

The Trump Administration's full budget request would slash funding for HUD rental assistance programs by \$26.72 billion from the previous year – an unprecedented 43% cut – and redesign HUD rental assistance programs entirely. Under the proposal, HUD's HCV program, Public Housing, Project-Based Rental Assistance (PBRA), Section 202 Housing for the Elderly (Section 202), and Section 811 Housing for Persons with Disabilities (Section 811) programs would be combined into one State Rental Assistance Block Grant (SRABG) program, funded at \$31.79 billion. Together, these five HUD programs help more than 4.4 million households with the lowest incomes – including families, people with disabilities, older adults, workers, caregivers, and people who formerly experienced homelessness – find and maintain stable, affordable, accessible homes.

The full request provides limited details on the administration of the SRABG program, specifying the HUD Secretary would be charged with developing a formula to allocate funding to states, and instructing the Secretary to develop a formula for FY26 prioritizing the maintenance of assistance for people with disabilities and older adults who already receive HUD assistance. The request also instructs the HUD Secretary to “establish program requirements to incentivize self-sufficiency...including but not limited to two-year time limits on assistance for households in which neither the elderly nor persons with disabilities reside.” There are no additional details provided on how a two-year time limit on receiving rental assistance would be implemented.

In addition to the devastating impact a 43% cut to rental assistance programs would have on the households who currently rely on HUD assistance, over time, block granting anti-poverty programs leads to [significant funding decreases](#) for those programs. Moreover, rather than promoting self-sufficiency, proposals like time-limits and work requirements [impose unnecessary, bureaucratic barriers](#) to obtaining and maintaining housing assistance, making it more difficult for individuals and families to find safe, stable housing.

Cutting and limiting the use of homelessness assistance for permanent supportive housing

The President's FY26 budget request would allocate about \$4.02 billion for HUD's Homeless Assistance Grants (HAG) program, a decrease of around \$27 million from FY25. The request reframes the HAG program as “an expanded emergency solutions grants program,” specifying that assistance would be used to “assist homeless individuals or those at-risk of homelessness on an emergency, short-term, or medium-term basis,” and proposing no additional funding for the Continuum of Care (CoC) or Permanent Supportive Housing (PSH) programs. This would severely limit communities' ability to use

HAG funding for permanent housing and supportive services, crucial tools for addressing the long-term housing needs of people who have experienced chronic homelessness and those who require additional support for long-term stability. The request would also allow HAG grantees to create a preference for assisting “elderly individuals or families, or disabled individuals or families.” It would not provide additional funding for the Youth Homelessness Demonstration Program or the National Homeless Data Analysis Project.

In addition, the President’s FY26 budget request would not provide additional funding for the Housing Opportunities for Persons with AIDS (HOPWA) program, previously funded at \$505 million in FY25. The budget request argues that “individuals living with HIV/AIDS who are homeless or at-risk of homelessness may be served through the expanded emergency solutions grant program.” Taking into consideration cuts to both HOPWA and HAG funding, the budget request would slash homelessness assistance by \$532 million, or 12% from the previous fiscal year.

Public Housing

The budget request would not provide additional funding for Public Housing Capital or Operating Funds.

Native Housing

The President’s FY26 budget request would cut funding for HUD’s Indian Housing Block Grant (IHBG) program to \$872 million, a roughly 24% cut from the over \$1.1 billion allocated for the program in FY25. It would provide \$10 million, to “remain available until expended,” for noncompetitive grants to continue assisting Native veterans currently being served by HUD’s Tribal Veteran Affairs Supportive Housing (Tribal HUD-VASH) program. The request would not provide additional funding for HUD’s IHBG-Competitive (IHBG-C) program, which was funded at \$150 million in FY25 and targets funding to tribal communities with the most urgent affordable housing needs. The proposal would also not provide additional funding for HUD’s Native Hawaiian Housing Block Grant program.

Eviction Protection Grant Program

The FY26 budget request would not provide additional funding for HUD’s Eviction Protection Grant Program (EPGP), which provides grants for communities to establish right to counsel programs for tenants facing eviction and in need of legal assistance.

Fair Housing

The President’s budget request would allocate \$26 million for HUD’s Fair Housing Assistance Program (FHAP), while also zeroing out funding for the Fair Housing Initiatives Program (FHIP), the National Fair Housing Training Academy, and the Limited English Proficiency Initiative. Fair Housing programs were previously funded at \$86 million in FY25.

Healthy Housing

The FY26 budget request would not provide additional funding for HUD’s Healthy Homes and Lead Hazard Reduction grant programs, stating instead “HUD will use unobligated balances and recaptured funds to accomplish” the programs’ goals.

Other HUD Programs

The President's budget request would provide an additional \$25 million under the SRABG program for the Foster Youth to Independence grant program, which helps ensure young people aging out of foster care do not experience homelessness.

The budget request would not provide additional funding in FY26 for HUD's PBRA program, the Section 811 program, or the Section 202 program, instead folding these programs into the proposed SRABG program.

The request would also not fund HUD's VASH program, proposing instead to create the Bridging Rental Assistance for Veteran Employment (BRAVE) program, funded at \$1.1 billion and administered by the Department of Veterans Affairs (VA). The request would include \$100 million for a pilot program, run by the VA and Office of Management and Budget (OMB), to "end homelessness among veterans."

The FY26 budget request would not provide additional funding for HUD's Community Development Block Grant (CDBG) program, nor would it provide additional long-term recovery funding for disaster-impacted areas through HUD's CDBG-Disaster Recovery (CDBG-DR) program. It would not allocate additional funding for the HOME Investment Partnership (HOME) program, or the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program, which provides grants for communities and owners to preserve and revitalize manufactured homes.

The request would not provide funding for HUD's Self-Sufficiency programs, which includes the Family Self-Sufficiency program and the Jobs-Plus program. It would not provide continued funding for Housing Counseling Assistance, previously funded at \$57.5 million.

The President's budget request proposes \$95 million in FY26 for HUD's Office of Policy Development and Research (PD&R), a 22% decrease from the final FY25 budget, which provided the office with \$119 million. The request would also impose an "at least 50%" match requirement "toward the cost of the project" for organizations, agencies, institutions or any other research partners entering a cooperative agreement with PD&R.

The request would not provide funding for the U.S. Interagency Council on Homelessness (USICH), which helps coordinate the federal response to homelessness across agencies and departments.

Find NLIHC's updated budget chart, here: <https://bit.ly/3SzVfOt>

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

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