

# NLIHC'S ANALYSIS OF SENATE APPROPRIATIONS COMMITTEE FY26 SPENDING BILL FOR HUD PROGRAMS



## OVERVIEW

The U.S. Senate Committee on Appropriations released and approved on July 24 their fiscal year (FY) 2026 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 funds. The proposal would provide HUD \$73.3 billion in FY26, over \$5.5 billion more than the funding level proposed in the [House's bill](#), and an increase of around \$3.3 billion from the funding provided in the [FY25 continuing resolution](#). For details, see NLIHC's updated [budget chart](#).

The bill rejects the draconian spending cuts and harmful policy changes included in the [Trump administration's FY26 funding request](#) for HUD programs, including a proposal to redesign rental assistance into a State Rental Assistance Block Grant, and a proposal to consolidate the Homeless Assistance Grant program into an "expanded Emergency Solutions Grants" program. Instead, the Senate's FY26 spending bill would provide needed funding increases or level funding for most HUD programs; however, it fails to provide the additional funding that will be needed to address the funding cliff for the Emergency Housing Voucher ([EHV](#)) program. Key implications for affordable housing programs are detailed below:

- Tenant-Based Rental Assistance (TBRA) would receive \$33.97 billion for contract renewals, an approximately \$1.8 billion increase from FY25 and from the flat funding level provided in the House bill. While this increase is needed, it is likely insufficient to cover the cost of fully renewing all existing TBRA contracts.
- Unfortunately, the bill does not provide additional funding to cover the cost of continuing the [Emergency Housing Voucher \(EHV\) program](#), which currently serves over 59,000 households who had previously been experiencing housing instability or homelessness. The EHV program is facing an urgent funding cliff; without additional funding to either continue the program, or to integrate EHV households into the HCV or other tenant-based programs, households served by the EHV program could be at risk of losing their assistance and falling back into housing instability, and in worst cases, homelessness.
- Homelessness Assistance Grant (HAG) program funding would increase by \$479 million, for a total of \$4.53 billion in FY26. The House bill would provide a smaller increase to HAG funding, \$107 million, from the previous year's enacted level.

- The bill would increase funding for other vital HUD programs, including Project-Based Rental Assistance (PBRA), Section 202 Housing for the Elderly, Section 811 Housing for People with Disabilities, and the Housing Opportunities for Persons with AIDS (HOPWA) program, among others.
- The Senate's bill rejects many of the most drastic cuts included in the House bill, including a proposal to zero-out funding for the HOME Investment Partnership (HOME) program. Instead, the Senate bill would provide the HOME program with \$1.25 billion, level funding from the previous year. Additionally, the bill would provide level funding for HUD's fair housing programs, \$86 million; the House bill would have slashed funding for fair housing to \$29 million.
- The Senate bill does not include the problematic policy changes in the House bill, and neither the Senate nor House bill includes the Trump administration's proposal to impose a harmful, arbitrary two-year limit on receiving HUD rental or homelessness assistance.

## **DETAILED ANALYSIS**

### ***Tenant-Based Rental Assistance***

The Senate bill would increase funding for TBRA contract renewals to \$33.97 billion, an approximately \$1.8 billion increase from FY25 and from the level funding proposed in the House bill. While this increase is necessary, it is likely insufficient to cover the cost of fully renewing all existing Housing Choice Voucher (HCV) and other TBRA contracts. Without sufficient annual funding increases, vouchers are lost through attrition - when a household no longer needs their voucher, it cannot be reissued to a new family on the waitlist for assistance, leading to a loss of vouchers available to households in need. For example, underfunding voucher renewals in the FY25 continuing resolution will lead to the loss of an estimated 32,000 vouchers through attrition over time.

At current funding levels, only one in four households eligible to receive rental assistance get it; losing vouchers through attrition will leave even more households without the assistance they need to afford the cost of rent. NLIHC is calling on Congress to provide at least \$35.64 billion to ensure the renewal of all current voucher contracts so this vital program can continue serving households in need of assistance.

The Senate bill provides \$15 million in funding for HUD's Veteran Affairs Supportive Housing (HUD-VASH) program, which did not receive additional funding in the FY25 CR. Neither the House bill nor the President's budget proposal would continue the HUD-VASH program; instead, they propose moving vouchers for veterans into a new Bridging Rental Assistance for Veteran Empowerment (BRAVE) program, administered by the Department of Veteran Affairs. Both the Senate and House bill would fund Family Unification Program (FUP) vouchers at \$30 million, level funding from FY25.

## ***EHV Program***

Neither the Senate nor House FY26 THUD spending bills present an adequate solution to the [EHV funding cliff](#). While the House's FY26 spending bill includes language that would allow funds provided for Tenant Protection Vouchers (TPVs) to be used to help transition EHV holders into a new assistance program, the Senate bill does not; instead, the Senate bill would allow the HUD Secretary "to waive or specify alternative requirements for...any regulation applicable [to the] administration of waiting lists, local preferences, portability, and public housing agency plan and hearing requirements" to help facilitate the transition of EHV holders to another TBRA program. Because rental assistance programs are chronically underfunded, it can take years – and in some communities, decades – for a family on the waitlist for a voucher to receive assistance.

Without additional funding, the 59,000 households who currently rely on an EHV to keep a roof over their heads will be at risk of losing their rental assistance in the coming year. NLIHC and our national partners are [urging Congress to provide funding to continue the EHV program](#); barring continued funding, Congress must provide sufficient funding for agencies to successfully integrate EHV recipients into the HCV program.

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. EHV holders have been wildly successful, and currently help ensure over 59,000 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. If left unaddressed, the [59,000 households](#) who currently rely on an EHV to keep a roof over their heads may lose their rental assistance, undoing years of progress and putting them at risk of housing instability and, in worst cases, homelessness.

## ***Homelessness Assistance***

The Senate bill proposes a \$479 million increase to Homelessness Assistance Grant (HAG) funding, for a total of \$4.53 billion in FY26. The House bill would provide a smaller increase to HAG funding, \$107 million, from the previous year's enacted level. HAG provides crucial funding for communities to address the needs of people experiencing homelessness. While the bipartisan, bicameral interest in increasing HAG funding in FY26 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 Senate bill would provide \$3.2 billion for public housing capital needs, a decrease of \$210 million from FY25. The House proposed a significantly steeper \$1.12 billion cut to public housing capital needs in its FY26 spending bill. Both the Senate and House bills would provide \$30 million in grants for public housing agencies to respond to emergency and disaster-related capital needs in public housing. The Senate bill would also provide \$65 million in funding for a grant program to help mitigate residential health hazards in public housing; this program did not receive funding in FY25, or in the House's FY26 THUD bill.

The Senate bill proposes approximately \$5.08 billion for public housing operating costs, a decrease of \$414 million from FY25, while the House bill would cut spending for public housing operating funds by \$501 million. NLIHC is calling on Congress to provide at least \$5 billion for public housing capital needs, and at least \$5.7 billion for public housing operating costs in a final FY26 spending bill.

## ***Eviction Protection Grants***

The Senate bill would continue funding for the Eviction Protection Grant Program (EPGP) at \$15 million, a decrease of \$5 million from the FY25 CR; neither the House bill nor the White House's FY26 budget request would continue funding for the program. 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***

Funding for the Indian Housing Block Grant (IHBG) would be held level in both the Senate and House bills at \$1.11 billion. However, the Senate bill would decrease funding for the IHBG-Competitive (IHBG-C) grant program to \$100 million, a \$50 million decrease from the previous fiscal year. The Trump administration's spending request proposed cutting IHBG funding by \$239 million, and zeroing out funding for the IHBG-C program. NLIHC is calling on Congress to provide \$1.3 billion for the IHBG program in FY26, and level funding of \$150 million for the IHBG-C program, to help address the urgent affordable housing and infrastructure needs in native communities.

The Senate bill would fund the Native Hawaiian Housing Block Grant program at \$22 million, level funding from FY25 and \$4 million more than the House bill. The president's FY26 spending proposal would not provide funding for the program.

## ***Project-Based Rental Assistance***

Both the Senate and House bills would provide increased funding for PBRA programs. The Senate bill proposes \$17.4 billion for PBRA, a \$514 million increase from FY25, while the House would provide a \$237 million increase. 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 deeply affordable housing.

## ***Section 202 & Section 811***

The Sente bill would provide \$972 million for the Section 202 Housing for the Elderly program, an increase of \$41 million from FY25, and more than the \$950 million the program would receive in the House bill. The Senate bill would also allocate \$265 million for the Section 811 Housing for Persons with Disabilities program, \$9 million more than the previous year. The House bill proposes cutting Section 811 funding by \$3 million. The Senate's proposed funding increases may be sufficient to renew 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 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.

### ***Community Development Funds***

The Senate bill proposes funding the Community Development Block Grant (CDBG) formula program at \$3.1 billion, \$200 million less than what was provided in the FY25 CR and the level funding proposed in the House bill. The Senate bill would also provide \$1.35 billion in funding to Economic Development Initiative projects, better known as "earmarks," \$961 million less than the funding level proposed in the House bill. Because the final FY25 spending bill was a year-long CR, it did not include funding for earmarked projects. The White House's FY26 budget request would not fund CDBG formula grants.

The Senate bill would preserve \$60 million in funding for the PRO-Housing grant program, which provides grants to encourage communities to adopt more inclusionary zoning practices that allow for the development of affordable housing. The program received \$100 million in the FY25 budget, and would not receive funding in either the House bill or the Trump administration's FY26 budget proposal.

### ***HOME Investment Partnership Program***

The Senate would continue funding the HOME Investment Partnership (HOME) program at \$1.25 billion, level funding from FY25. The program was eliminated in the House bill and in the president's FY26 spending request.

### ***Fair Housing***

Both the House bill and the Trump administration's FY26 budget request would make drastic cuts to fair housing programs, slashing funding by for HUD's Office of Fair Housing and Equal Opportunity (FHEO) by 66% and almost 70%, respectively. These cuts include eliminating the Fair Housing Initiatives Program (FHIP), which funds local and community-based fair housing organizations around the country responsible for investigating allegations of housing discrimination.

The Senate bill would restore this vital funding, preserving the \$86 million in funding for programs under HUD's Office of Fair Housing and Equal Opportunity provided in the previous fiscal year.

### ***Other HUD Programs***

The Housing Opportunities for Persons with AIDS (HOPWA) program would receive \$529 million, a \$24 million increase from FY25. The program would receive level funding of \$505 million in the House bill, and would have been consolidated under the HAG program in the president's FY26 funding proposal.

Both the Senate and House bills would decrease funding for the Office of Lead Hazard Control and Health Homes grants by \$49 million from FY25, for a total funding level of \$296 million. The president's FY26 budget request would eliminate funding for the program.

The Senate bill would continue funding the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program at \$10 million, level funding from FY25. Neither the House bill nor the president's FY26 spending proposal would provide funding for the program.

The Family Self-Sufficiency (FSS) program would receive \$156 million in the Senate's FY26 bill, an increase of \$15 million from FY25. The program would be cut by \$16 million in the House bill, and would not receive funding in the Trump administration's FY26 spending bill.

### ***USICH***

The Senate bill would provide \$2 million for the continued operation of the US Interagency Council on Homelessness (USICH), which is responsible for helping coordinate the federal government's response to homelessness across departments and agencies. USICH would not continue to receive funding in the House bill or in the Trump administration's FY26 proposal.

## **OTHER PROVISIONS**

The House FY26 spending bill included proposals that would increase PHA's ability to implement harmful new requirements around work reporting requirements, time limits, or minimum rent increases; allow funds to be withheld from communities with "sanctuary city" policies; undermine efforts to increase energy efficiency in HUD properties; and repeal the 30-day eviction notice requirement for HUD-assisted households. The Senate bill does not include these extremely problematic proposals.

Neither the Senate bill nor the House bill include the Trump administration's proposal to impose an arbitrary and harmful two-year time limit on receiving HUD rental or homelessness assistance.

For questions or more information, please contact [outreach@nlihc.org](mailto:outreach@nlihc.org).

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