

Federal Housing Policy Updates

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Table Setting: Appropriations vs. Reconciliation

Appropriations

- Often referred to as the “annual **budget** process”

Reconciliation

- Full name: **Budget** reconciliation

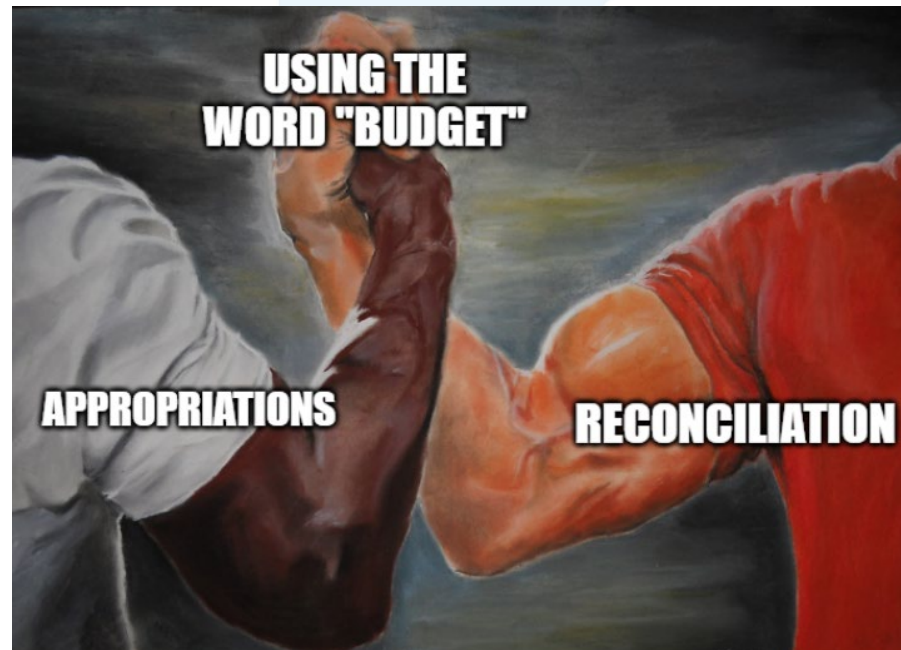


Table Setting: Appropriations vs. Reconciliation

Appropriations

- Yearly process to fund the federal government every fiscal year (FY)
 - New FYs begin on October 1
- Includes funding for HUD programs
 - Transportation Housing, and Urban Development (THUD) spending bill
- New spending bills cannot be enacted with fewer than 60 “yes” votes in the Senate
 - ***Requires*** bipartisan support

Reconciliation

- Special legislative procedure
 - Not usually used, but becoming increasingly common
- Allows bills to pass with just 51 “yes” votes in the Senate
 - Can be enacted ***without*** bipartisan support
- Provisions that are included are restricted

Table Setting: Appropriations vs. Reconciliation

Appropriations

- President's FY26 budget request released
 - Request, not a mandate
 - Includes time limits on HUD assistance
- House and Senate working on drafting FY26 bill text
 - House text for THUD bill could be out later this month/early July
- Deadline: October 1

Reconciliation

- Senate just passed their version of a reconciliation package
 - Now kicked back to the House
- Goal: Finalized by July 4

Medicaid and Homelessness

- Medicaid = primary health insurance program for unhoused people.
- States can tailor systems and services (medical respite care, tenancy supports in supportive housing)

Fact Sheet:
Homelessness and
Medicaid: What's
the Connection?



Medicaid Provisions and Barriers



Work Reporting Requirements



Address Verification



Citizenship Verification



More Frequent Eligibility Checks

Other provisions:

- Penalties to States for Noncitizen Coverage
- Out of Pocket Cost Sharing
- Prohibits all Gender Affirming Care
- Slashes Retroactive Coverage

BARRIERS

- **Difficulty proving** work hours or exemptions
- **Lack of address** and ability to verify address & citizenship
- **Documentation burdens**, including lack of safe storage and ability to receive notices
- **For providers:** paperwork burden and financial impact

Impact on Unhoused Population

- **Lost access to health care**, including behavior health
- **Lost access to housing**, medical respite care, and other Medicaid services
- **Greater homelessness** and housing instability
- **Greater illness**, disability, and mortality
- **Greater unemployment**

Fact Sheet:
One Big Beautiful
Bill Act: Impact on
the HCH
Community



President Trump's FY26 Budget Request



The Trump Administration's FY26 budget request would cut HUD's budget by 44% from FY25

- Includes a 43% cut to HUD's rental assistance program, and redesigning HUD rental assistance entirely
- Cuts Homeless Assistance Grants by 13% from FY25 and consolidates Continuum of Care (CoC) and Housing Opportunities for People With AIDS (HOPWA) programs under the Emergency Solutions Grants (ESG) program
- Imposes a two-year time limit on receiving rental or homelessness assistance
- Cuts \$479 million from Native housing programs, consolidates into IHBG

President Trump's FY26 Budget Request



How will the budget request propose restructuring rental assistance programs?

The budget request would combine HUD rental assistance programs into one block grant program – the State Housing Assistance Block Grant – and slash funding by 43%

- Programs consolidated include Housing Choice Vouchers (HCVs), Public Housing, Section 202, Section 811, and Project-Based Rental Assistance (PBRA)
- Two-year time limit (would likely exclude older adults and some people with disabilities)
- Does not account for additional funding required for Emergency Housing Voucher (EHV) recipients

President Trump's FY26 Budget Request

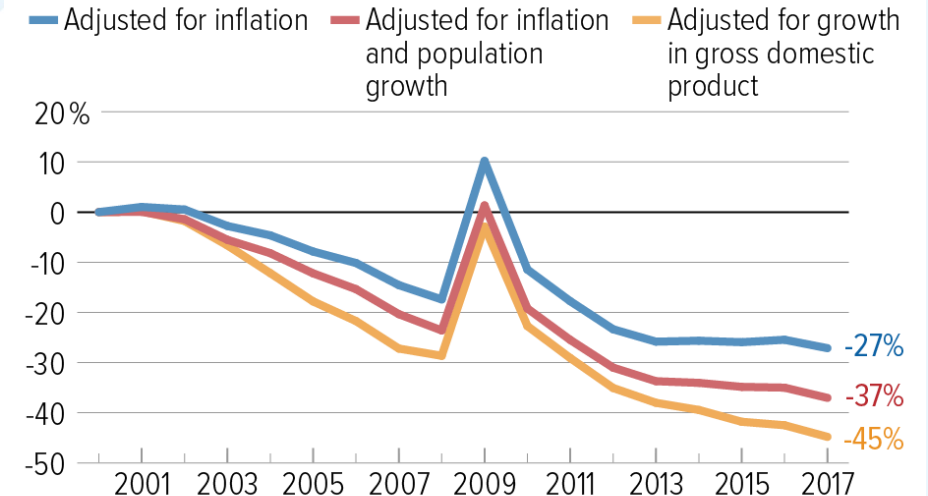


Block grants lead to future funding cuts

- History shows block granted programs for people with low incomes lose funding over time
- Any state funding available to “share costs” would just be offsetting cuts
- States then responsible for implementing harsh cuts

Overall Funding for Housing, Health, and Human Services Block Grants Has Fallen Significantly Since 2000

Change relative to 2000 funding level



Note: Includes funding from the 2009 Recovery Act. For non-entitlement programs, 2017 levels represent annualized funding under the current continuing resolution (which expires on April 28, 2017); final levels for 2017 may end up higher or lower than shown here.

Source: CBPP based on Congressional Research Service reports, agency budget justification documents, and appropriations legislation. Inflation data from the Bureau of Labor Statistics; population data from the Social Security and Medicare Trustees; gross domestic product data from the Bureau of Economic Analysis.

Additional Funding Needed to Ensure Nearly 60,000 Households Stay Housed



Emergency Housing Vouchers received \$5 billion in 2021

- Targeted resources to people experiencing or at immediate risk of homelessness, and survivors of intimate partner violence and human trafficking
- Funding projected to run out mid-way through 2026 or sooner for some agencies
- Nearly 60,000 households still rely on an EHV to pay rent every month

Congress must provide funding to preserve these vouchers, or to fold EHV recipients into other programs (like the HCV program)

President Trump's FY26 Budget Request



What comes next?

House and Senate Appropriators will draft their FY26 spending bills

- House THUD Subcommittee markup July 14, full Committee markup July 17
- Senate Appropriations Committee and Subcommittee markups TBD
- Deadline: October 1, 2025

Resources & Next Steps



Use [NLIHC's FY26 Advocacy Toolkit](#) for advocacy ideas, talking points, resources, and more

Learn more about EHV's and [take action to expand voucher funding](#)

Join an [organizational sign-on letter](#) calling for full funding for rental assistance in FY26

Read NHLP's [legal memo](#) on the rights of EHV recipients, and contribute to NHLP's [story banking](#) project

Learn more about the [impact of the reconciliation bill](#) on healthcare access for people experiencing homelessness

Take action to [oppose the cuts](#) to healthcare and food assistance in the reconciliation bill