

Staying the Course in a Challenging Federal Policy Climate

Roads to FY 26 Budget

Roads to Federal Funding

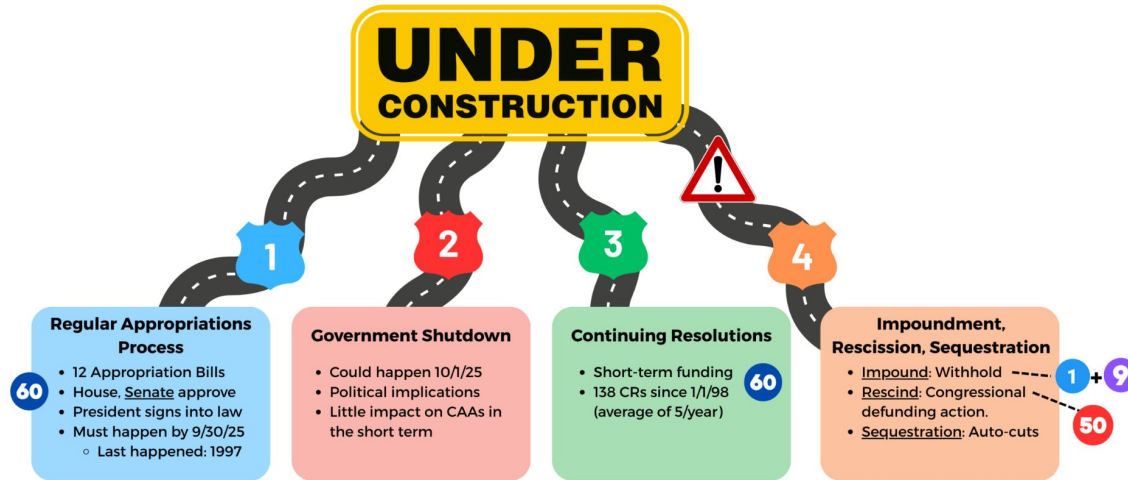


Image borrowed from Illinois Association of Community Action Agencies

Latest Budget Updates

- The federal government is in a shutdown since the beginning of the new fiscal year, FY 2026, on October 1.
- A Republican drafted CR passed the House and has failed in the Senate numerous times.
- The CR that Democrats introduced and was voted on in the Senate failed, included numerous important provisions, including:
 - Reverses Medicaid cuts that passed earlier this year in the reconciliation bill.
 - Requires that HUD renew all existing Continuum of Care grants for homeless services expiring during calendar year 2026 for one 12-month period.

Senate and House Budget Proposals

- On July 24, the Senate Approps committee approved their FY26 THUD budget proposal with bipartisan support.
- Overall, the bill provides \$73.3 billion for HUD, a modest increase.
- Senate funding level is much more than the \$67.8 billion allocated to HUD in the House's spending bill and the 44% cut to HUD proposed by the Trump administration.
- The Senate bill rejects harmful and misguided policy proposals by the Trump administration and largely preserves funding for programs that were severely cut or eliminated by the Trump administration and/or the House, including housing counseling, fair housing, HOME and others.

FY26 Budget Chart for Selected Federal Housing Programs

July 25, 2025



HUD Programs (set asides italicized) (In millions)	FY25 Final	FY26 President	FY26 House	FY26 Senate	FY26 Final
Tenant Based Rental Assistance	36,048	0	35,268	37,354	
Contract Renewals	32,145	0	32,145	33,974	
Tenant Protection Vouchers	337	0	375	429	
Administrative Fees	2,771	0	1,975	2,906	
Section 811 Mainstream Vouchers	743	0	743	0	
Veterans Affairs Supportive Hsg Vouchers	0	0*	0*	15	
Tribal Veterans Affairs Supportive Housing Vouchers	7.5	10*	10	10	
Family Unification	30	0	30	30	
Housing Mobility Services	0	0	0	0	
Incremental Vouchers	15	0	0	0	
State Rental Assistance**					
State Rental Assistance Block Grant	N/A	31,787	N/A	N/A	
Foster Youth to Independence Grants	--	25	--	--	
Public Housing					
Capital Fund	3,410	0	2,286	3,200	
Emergency/Disaster Grants	30	0	30	30	
Residential Health Hazards Grants	0	0		65	
Operating Fund*	5,501	0	5,000	5,087	
Moving to Work	0	0	0	0	
Choice Neighborhoods Initiative	75	0	0	40	
Self-Sufficiency Programs					
Family Self-Sufficiency	141	0	125	156	
Jobs-Plus Pilot	15	0	15	10	
NAHASDA					
Indian Housing Block Grant	1,111	872	1,111	1,111	
Competitive Grants	150	0	150	100	
Native Haw. Hsg Block Grants	22	0	18	22	
Hsg. Opp. for Persons with AIDS	505	0	505	529	
Community Development Fund	3,430	0	5,642	4,541	
Formula Grants	3,300	0	3,300	3,100	
Economic Development Initiative (teamwork)	0	0	2,312	1,351	
PRG-Housing Competition	100	0	0	60	
HOME Investment Partnerships	1,250	0	0	1,250	
PRICE Competitive Grants	10	0	0	10	
Self-Help Homeownership Opportunity	12	0	9	13	
Homeless Assistance Grants	4,051¹	4,024	4,158	4,530	
Project-Based Rental Assistance	16,890	0	17,127	17,404	
Hsg. for the Elderly (202)	931	0	950	972	
Hsg. for Persons w/Disabilities (811)	256	0	262	265	

HUD Programs (set asides italicized) (In millions)	FY25 Final	FY26 President	FY26 House	FY26 Senate	FY26 Final
Housing Counseling Assistance	57.5	0	0	57.5	
Policy Development & Research	119	95	95	131	
<i>Eviction Protection Grant Program</i>	20	0	0	15	
Fair Hsg. & Equal Opportunity	86	26	29	86	
Healthy Homes & Lead Hazard	345	0	296	296	
USICH	4	0	0	2	

* The spending proposal includes funding provided through HUD's Operating formula, plus funding allocated for a need-based grant

¹ Language in the FY25 Continuing Resolution (CR) provides the HUD Secretary the authority to "repurpose funds made available under" the Continuum of Care (CoC) Builds program "to provide additional amounts for the CoC program"

** The Trump Administration's FY26 budget request proposes combining the Housing Choice Voucher program, Public Housing, Project-Based Rental Assistance, and the Section 811 and Section 202 programs into the State Rental Assistance Block Grant program

¹ The Trump Administration's FY26 budget request provides \$10 million, "available until expended, for noncompetitive grants to recipients that received a Tribal HUD-VASH grant in prior years," and transfers control of the VASH program from HUD to the Department of Veterans Affairs for the creation of a new "Bridging Rental Assistance for Veteran Empowerment" (BRAVE) program, funded at \$1.1 billion. The House FY26 budget would fund the BRAVE program at \$970 million in its FY26 Military Construction & Veteran Affairs spending bill.

Issues in Different Housing Sectors

- Homelessness
 - President Trump's July 24 Executive Order "Ending Crime and Disorder on America's Streets": Attacks Housing First, an evidence-based approach to ending people's homelessness by prioritizing their most essential need first—the need for housing.
 - In 2023, Congress gave HUD the ability to make the FY24 CoC NOFO a 2-year competition, awarding the funding in FY24 and renewing it in FY25.
 - On July 3, 2025 HUD sent a notice to CoCs and others that HUD intends to publish a NOFO for FY25. The NOFO still has not been released.
- Public Housing
 - Funding levels in the Senate bill are better than in the House, but still inadequate to maintain all existing Housing Choice Vouchers (about 100,000 in Illinois), renew all existing CoC projects at an adequate level, cuts funding for public housing and has no funding to maintain the Emergency Housing Voucher Program, which is currently assisting more than 1,800 Illinois households.
 - In Illinois, it's estimate that the House version of the budget would reduce the the number of HCV recipients by 7,700 Illinois households and 17,200 people. The Senate budget would reduce HCV recipients in Illinois by 4,600 households and 10,200 people.

Issues in Different Housing Sectors

- Fair Housing
 - Much previously awarded and contracted fair housing funding to nonprofit organizations was terminated earlier this year, in February, by DOGE and subsequently restored, in March, through litigation.
 - A July 26 court decision granted a Temporary Restraining Order in lawsuit against HUD for withholding fair housing funds that have not yet been awarded.
 - A NOFO was subsequently released, with many differences from previous NOFO. The deadline to apply was August 21. No award announcements have been made yet.
- Housing Counseling
 - No issuance of FY25 Housing Counseling Program NOFO yet. The Trump administration budget zeroed out funding for this program for FY25. Thankfully, the Senate version provides flat funding.

Other Housing Policy Concerns (Partial List)

- In March, HUD announced that it is partnering with the Department of Homeland Security to help identify immigrants without legal status living in publicly subsidized housing. However, this announcement did not actually change any current law or policy immigration status eligibility to live in HUD assisted housing.
- July 2025 reintroduction of proposed changes to HUD mixed status household rule (similar or worse to what was proposed during first Trump administration). HUD sent notice of proposed rulemaking on July 16.
- July 2025 HUD notice of proposed rulemaking that seems to be focused on making easier for PHAs and others entities to impose time limits and work requirements.
- August 4 HUD notice of soon to be published final rule that is likely to roll back the Fair Housing Acts disparate impact standard. HUD did not provide any opportunity for comment on the rule. Disparate impact protections help remove unfair barriers that don't have a legitimate purpose and are discriminatory.

IL Congressional Delegation

- 2 Dem Senators, 17 House Members (14 Dems and 3 Repubs)
- Sen. Durbin is on Appropriations Committee/THUD Subcommittee
- Rep. Quigley is on Appropriations Committee/THUD Subcommittee
- Rep. Underwood is on Appropriations Committee
- Reps. Davis, LaHood and Schneider are on Ways and Means Committee
- Reps. Casten and Foster are on Financial Services Committee
- Rep. Ramirez is on Homeland Security Committee and Veterans' Affairs Committee
- Rep. Krishnamoorthi is on Oversight Committee
- Rep. Bost is on Veterans' Affairs Committee

Members of Congress: Select Public Actions

- Rep. Krishnamoorthi spoke about personal experience living in public housing as a child at Citizen Action/Illinois press conference, 2/25/25
- Reps. Davis and Jackson spoke at “Hands Off HUD” Press Conference in DC, 3/3/25
- Rep. Ramirez, Housing Advocates Say “Hands Off” Affordable Housing, Press Release and Press Conference, 4/24/25
- Every IL Democratic House member signed the Dear Colleague letter in support of increased funding for Homeless Assistance Grants or Emergency Housing Vouchers, May and June
- Rep. Quigley Hammers HUD Secretary on Trump Cutting Housing by 50%, Press Release, 6/10/25
- Senate Appropriations Committee Advances THUD Funding Bills With Illinois Priorities Secured By Durbin, Duckworth, Press Release, 7/25/25
- Congresswoman Ramirez Slams Trump’s Efforts to Criminalize Neighbors Impacted by Homelessness, Substance Abuse, Press Release, 7/27/25

Members of Congress: Select Public Actions

- From Rep. Mike Quigley's press release after June 10, 2025 House THUD Appropriations Subcommittee hearing with HUD Secretary Scott Turner:

"Mr. Secretary, you have to understand: housing is everything. These people will die. There's no way you can believe a 50% cut won't put people on the street," said Quigley during the hearing. "What's the detailed plan to ensure those people won't be put on the street?"

Secretary Turner responded that his HUD would be "more effective and more efficient." However, when pressed by Quigley for details on how he would prevent homelessness, the Secretary provided none.

Take Action and Resources

- Join the Housing Action Illinois Policy Advocacy email list: <https://housingactionil.org/lists>
- Alliance to End Homelessness in Suburban Cook County emails here: <https://suburbancook.org> (email sign up at bottom of home page)
- Hope Fair Housing Center: <https://hopefair.org/>
- Jackson County Housing Authority: <https://jcha-il.org/>
- Embarras River Basin Agency, Inc (ERBA): <https://erbainc.org/>

Take Action and Resources

- Protect Federal Housing Resources—Tell Your Members of Congress the Shutdown is Endangering Federal Housing Resources: <https://bit.ly/HAlFedAlert1025>
- Protecting Chicago: <https://chicago.gov/protect>
- Know Your Rights as an Unsheltered Person: <https://chicagohomeless.org/outreach>
- Illinois Immigration Information HUB: <https://www.illinoisimmigrationinfo.org>
- Illinois Coalition for Immigrant and Refugee Rights: <https://www.icirr.org/>

Additional Resources and Links

- HUD Housing Choice Voucher Data Dashboard:
<https://www.hud.gov/helping-americans/public-indian-housing-hcv-dashboard>
- HUD Emergency Housing Voucher Data Dashboard:
<https://www.hud.gov/helping-americans/housing-choice-vouchers-emergency-dash>
- HUD Public Housing Data Dashboard:
<https://www.hud.gov/helping-americans/public-housing-dashboard>