



Fiscal Year 2026 (FY26) Public Housing and Section 8 Program Funding Needs (June 2025)

The National Association of Housing and Redevelopment Officials (NAHRO), the Public Housing Authorities Directors Association (PHADA), the Council of Large Public Housing Authorities (CLPHA), the MTW Collaborative, and the Local Housing Administrators Coalition (LHAC) are pleased to release funding recommendations for Office of Public and Indian Housing and Office of Housing programs administered by the U.S. Department of Housing and Urban Development. These programs provide resources essential to ensuring that seniors, families, veterans, and persons with disabilities have access to decent, safe, and sanitary affordable housing to help stabilize and improve the quality of their lives.

The Administration's FY26 budget proposal would inflict deep cuts on housing and community development programs and convert federal rental assistance into a State Rental Assistance Program block grant. By cutting funding nearly in half, it would immediately reduce the number of households receiving assistance by 2.3 million. We urge Congress to reject this approach, which would significantly undermine housing stability for low-income households and communities nationwide. States would have less than five months to establish oversight of infrastructure and design entirely new rental assistance programs—an unrealistic timeline that risks major disruptions for families in need. Moreover, block granting funds could allow states to redirect critical resources to non-housing purposes and lead to wide disparities in assistance levels and service delivery across the country. These proposals would not only destabilize housing for millions of families but also harm local economies and erode communities.

Discretionary Account Name	FY 2026 Funding Recommendations (in millions)
Public Housing Operating Fund	\$5,720
Operating Fund Shortfall	\$580
Public Housing Capital Fund	\$5,000
Emergency Capital Needs	\$135
Choice Neighborhoods Initiative	\$300
Section 8 Tenant-Based Housing Choice Voucher HAP Renewal	\$35,639
Section 8 Administrative Fees & Additional Administrative Fees	\$3,445
Tenant Protection Vouchers	\$500
HUD-VASH	\$50
Rental Assistance Demonstration	\$105
Section 8 Project-Based Rental Assistance	\$17,950
Family Self-Sufficiency (FSS) Program	\$200
Resident Opportunity and Supportive Services (ROSS)	\$40
Jobs Plus	\$15
Community Development Block Grant (CDBG) Program	\$4,200
Home Investment Partnerships Program (HOME)	\$2,000

Public Housing Operating Fund: \$5.720 billion to support public housing operations. This amount considers the most recent proration estimate from HUD of 2024 needs and then applies the Bureau of Labor Statistics inflation calculator to inflate that dollar amount to March 2025 levels. Full proration accounts for recent funding concerns due to the Operating Fund Formula using rents charged and not collected and increases in program costs due to inflation and increased insurance costs. Funding for the Operating Fund is critical so that PHAs can continue to maintain operations and support the needs of residents.

Operating Fund Shortfall: \$580 million to address the total Operating Fund shortfall reported in FY24. In FY 2024, HUD reported \$605 million in total shortfall, and Congress appropriated \$25 million to address this backlog. After making \$25 million in awards, \$580 million in unmet needs will remain. In recent years, Congress has provided a mere \$25 million annually to address these growing needs which severely impact operations for many agencies and put them at risk of financial insolvency.

Public Housing Capital Fund: \$5 billion to be distributed by formula. This amount would allow PHAs to address their newly accruing needs, which HUD estimated at \$3.4 billion annually in 2010. This estimate has been adjusted for inflation. While these dollars represent an investment in public housing and local economies, they do not address the growing capital needs backlog.

Emergency Capital Needs: \$135 million to address needs resulting from non-Presidentially declared disasters and other emergencies, including safety and security measures related to crime and transition to the National Standards for the Physical Inspection of Real Estate (NSPIRE) protocol. These funds allow PHAs to pay for unforeseen capital emergencies that could not otherwise be supported through operating or capital funding. As HUD implements its NSPIRE standards and prepares to score affirmative requirements, these funds will be crucial to ensure the safety of public housing residents.

Choice Neighborhoods Initiative (CNI): \$300 million with \$200 million designated specifically for PHAs. The associations recommend that two-thirds of these funds be reserved for applications in which a PHA is the lead applicant or co-applicant. This amount is enough to fund the implementation of roughly 8-10 projects. Large capital grants through programs like Choice Neighborhoods are among the most effective tools to help PHAs address the needs of severely distressed public housing developments. These funds attract private capital and transform communities into thriving, mixed-income neighborhoods with reduced crime and increased opportunities for residents. Choice Neighborhoods projects have attracted nearly \$8 of leverage for every \$1 of Choice Neighborhoods grant funds spent. The groups note that CNI needs to be streamlined to address PHA obstacles to participation.

Section 8 Tenant-Based Housing Choice Voucher Housing Assistance Payment (HAP) Renewal: \$35.639 billion to ensure the renewal of assistance for all voucher-assisted low-income households served. This account does not include any Mainstream voucher funding. This number could include funding for Emergency Housing Vouchers in 2026, but Congress should ensure that participants in the program do not lose their assistance after 2026.

Section 8 Administrative Fees & Additional Administrative Fees: \$3.445 billion to support effective and efficient management of the HCV program by PHAs. At this time, we believe this figure is sufficient to fund all PHAs at 100% of their eligibility based on the fee rates formula in effect immediately prior to the enactment of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). This amount includes \$30 million in special administrative fees funding to support the administration of tenant protection vouchers and special purpose vouchers, including—but not limited to—HUD-Veterans Assisted Supportive Housing (VASH) and Family Unification Program (FUP) Vouchers.

Tenant Protection Vouchers (TPVs): \$500 million to provide all eligible households with a Tenant Protection Voucher for FY 2026. The final enacted number should be reflective of current TPV needs and all subsequent legislative actions and HUD initiatives.

HUD-Veterans Affairs Supportive Housing (HUD-VASH): \$50 million to provide rental assistance for homeless Veterans with case management and clinical services. Investments in HUD-VASH have resulted in an 11.7% reduction in Veterans experiencing homelessness since 2020, and a 55.6% decrease in Veterans experiencing homelessness since 2010.

Rental Assistance Demonstration (RAD): \$105 million to support the conversion of public housing properties that are unable to convert using only the funds provided through existing appropriations and tenant rents. RAD conversions have raised \$11.56 from other funding sources for every \$1 that came from federally appropriated funds.

Family Self-Sufficiency (FSS) Program: \$200 million with \$165 million reserved for PHAs. This funding level is needed to maintain funding for all existing program coordinators in the consolidated Public Housing and Section 8 FSS programs. Increased funding would allow for expansion of FSS in voucher and public housing programs.

Resident Opportunities and Supportive Services (ROSS): \$40 million to renew all existing service coordinators. Through this important program, PHAs promote local strategies linking public housing residents with supportive services and resources that help the elderly to age in place and assist families in achieving economic self-sufficiency goals.

Jobs-Plus Initiative: \$15 million in funding for this evidence-based strategy that increases the employment opportunities and earnings of public housing residents through employment services, rent-based work incentives, and community supports for work.

Section 8 Project-Based Rental Assistance (PBRA): \$17.950 billion to fund renewal of all contracts based on 12-months of funding needs rather than based on quarterly increments throughout each year. The associations support the application of Annual Operating Cost Adjustment Factors (OCAFs) for FY 2025 for Sections 8, 202, 811 and 236 developments, including RAD-PBRA converted properties.

Community Development Block Grant Program (CDBG): \$4.2 billion to expand economic opportunities and improve quality of life for low-and moderate-income persons through activities that address infrastructure needs, eliminate slums or blight, address community health and safety needs and support underserved communities through an array of social services and greater economic opportunities.

Home Investment Partnerships Program (HOME): \$2 billion to increase the production of affordable housing through the acquisition, new construction, and rehabilitation of affordable housing units for sale or rent.