



Trump Administration Proposal to Block Grant HUD Housing Programs Will Slash Funding and Increase Homelessness

The Trump Administration's proposal to combine the Housing Choice Voucher (HCV) program, public housing, project-based rental assistance (PBRA), Section 202 (supportive housing for the elderly), and Section 811 (supportive housing for people with disabilities) into a single block grant program to be administered by the states will be devastating for low-income families as funding will decrease significantly and homelessness will increase dramatically. The Administration is proposing to implement the combined block grant program in October 2025 (the beginning of FY26), which is an impossible timeframe that will result in the dismantling of federal rental assistance and leave millions homeless.

This move would **cut funding nearly in half** for these five major programs, from \$58.4 billion to \$31.7 billion. It is estimated that converting these programs to a single block grant and slashing funding would **reduce the number of households served to 2.4 million**, thereby leaving **2.1 million families at risk of homelessness**.ⁱ

Millions Would Face Homelessness Under Trump Administration Proposal

- Nationally, only 35 affordable and available rental homes exist for every 100 renter households with extremely low incomes.ⁱⁱ
- An estimated 3.9 million more housing units are needed to meet existing demand.ⁱⁱⁱ
- In 2024, 4.5 million households were housed in units funded by the five HUD programs in question (HCV, Public Housing, PBRA, Sections 202 and Section 811).
 - If enacted, the Trump Administration's proposal would reduce funding to levels that could only support 2.4 million households.
- This funding cut would disproportionately cause seniors and people with disabilities to lose housing assistance.

Private Property Owners and Local Communities Would Suffer Economically

- Currently more than 600,000 private property owners participate in the Housing Choice Voucher Program. A 50% reduction in funding would cause widespread disruptions, including:
 - Private property owners could face mortgage defaults on mortgages financed on stable Housing Choice Voucher program's funding streams.
 - The HCV program would be destabilized as private property owners would withdraw from the program due to lack of funding and uncertainty.

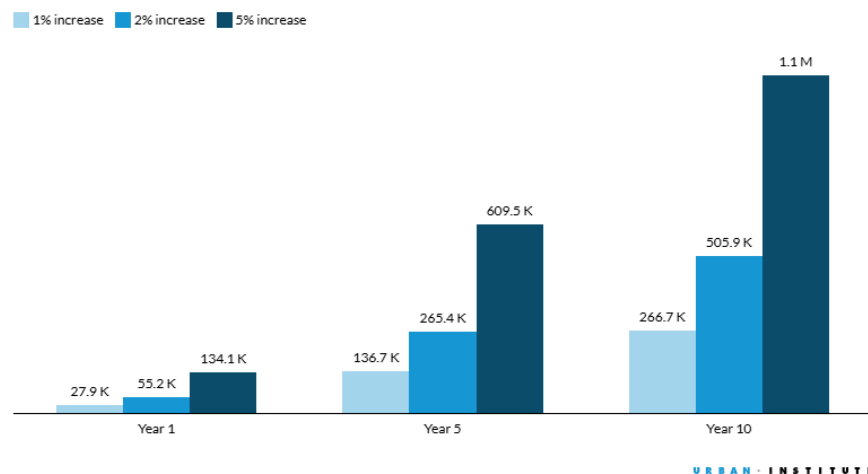
- The lack of uniform federal standards and the possibility of funding fluctuations could discourage private landlords from accepting vouchers, thereby reducing housing options available to assistance recipients

Block Grant Funding Decreases Over Time

- Assuming block grant funding remains static, a 2% annual increase in housing costs would mean another 500,000 households would lose assistance in 10 years.
 - If housing costs increased annually by 5%, over 1 million additional households would lose assistance in 10 years.
- Programs funded as block grants tend to see sharply reduced funding over time. This is due to the diffusion of funds at the state level for a variety of purposes.
- Overall funding for the 13 major health, housing, and social service block grants has fallen by 37% since 2000 after adjusting for inflation and population growth.^{iv}
 - CDBG has seen a 63% decrease in funding since 2001 after adjusting for inflation and population growth.
 - HOME has seen a 58% decline in funding since 2001 after adjusting for inflation and population growth.
 - The TANF program has seen a 40% decline in funding since 2000 after adjusting for inflation and population.
- Block grant programs assist fewer families over time: the diffusion of TANF funding at the state level means that the program itself assists far fewer families.
 - TANF's predecessor program assisted 68 out of 100 low-income families with children in 1996, but by 2020, only 21 out of 100 low-income families with children received TANF assistance.^v

Without Adjustments for Housing Cost Increases, Block Grant Funding Could Cause the Loss of More Than 1 Million Assisted Units in the Next 10 Years

Assisted units lost over time, assuming static funding and annual housing cost increases



Block Granting HUD's Major Housing Programs Creates Confusion and Uncertainty

- States lack the administrative capacity, knowledge, expertise, and funding to run housing assistance programs.
- States will struggle to project voucher costs accurately, leading to fluctuating or decreasing funding levels. This uncertainty would result in unstable and insufficient assistance for low-income families and inconsistent payments to landlords.
- The proposal may lead to relaxed standards, such as infrequent inspections or stringent income targeting thresholds, compromising housing quality and affordability.
- There is a risk that overall funding for housing assistance payments (HAP) may decline over time, adversely affecting renters and landlords alike.

ⁱ [Urban Institute, 2025](#)

ⁱⁱ [NLIHC, 2025](#)

ⁱⁱⁱ [Up For Growth, 2024](#)

^{iv} [Reich et al., 2017](#)

^v [Schott, 2017; CBPP, 2022](#)