

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of Public and Indian Housing

### Tenant-Based Rental Assistance

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	36,041,000	3,566,068	-	30,000	39,637,068	38,361,910	38,320,000
2026 Appropriation	38,438,557	1,275,400	-	36,900	39,750,857	39,694,000	39,817,000
2027 President's Budget	38,846,000	58,000	-	31,900	38,935,900	38,934,000	39,441,000
Change from 2026	407,443	(1,217,400)	-	(5,000)	(814,957)	(760,000)	(376,000)

a/ 2025 Appropriation includes \$6 billion of the TBRA appropriation designated as an emergency requirement.

b/ 2025 Carryover includes \$4.5 million in recaptured prior year unpaid obligations and \$1.7 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.

c/ 2025 Transfers include \$31 million transferred from the Public Housing Fund and \$1 million transferred to the Project-Based Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions.

d/ 2026 Carryover includes \$30 million in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.

e/ 2026 Transfers include an estimated \$45 million transferred from the Public Housing Fund, \$2 million transferred from the Housing for the Elderly account and \$10 million transferred to the Project-Based Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions.

f/ 2027 Transfers include an estimated \$40 million transferred from the Public Housing Fund, \$2 million transferred from the Housing for the Elderly account and \$10 million transferred to the Project-Based Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions.

### PROGRAM PURPOSE

The Housing Choice Voucher (HCV) program is authorized under Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) and is administered locally by approximately 2,100 public housing agencies (PHAs) that currently serve approximately 2.4 million families. The HCV program, also known as Tenant-Based Rental Assistance (TBRA), seeks to expand housing opportunities for very low- and extremely low-income families; reduce the number of homeless individuals, families, youth, and veterans; and support community-based living for people with disabilities.

### BUDGET OVERVIEW

The 2027 President's Budget requests \$38.8 billion for TBRA, which is \$407 million more than the 2026 enacted level. The Budget supports HUD's strategic goals to provide Federal housing assistance for people in need while increasing participant self-sufficiency.

The HCV program is the Federal Government's largest program to assist very low-income families, the elderly, and persons with disabilities in renting affordable, decent, safe, and sanitary housing. The program serves the most economically vulnerable families in the country, including families with disabilities, elderly families, formerly homeless veterans, and families with children, by providing Federal voucher assistance payments that help them meet their rental housing needs.

The 2027 Budget includes funding for the following activities:

- \$35.6 billion for Contract Renewals (HAP), which includes \$800 million for Mainstream Vouchers; this request is an increase of \$608 million from the 2026 appropriation;
- \$3.0 billion in Administrative Fees, which is an increase of \$115 million from the 2026 appropriation;
- \$300 million for Tenant Protection Vouchers (TPV), which is a reduction of \$301 million from the 2026 appropriation; and
- \$30 million for the Melania Trump Foster Youth to Independence program. This is \$5 million more than provided in the 2026 appropriation.

## JUSTIFICATION

The HCV program is an essential component of the Federal housing strategy for people in need. Housing Choice Vouchers offer low- and extremely low-income families improved affordable housing options in the private market and access to greater economic opportunities. The option to use project-based vouchers helps create and preserve deeply affordable units available to families in need.

The HCV program partners with local PHAs and landlords to provide housing to our Nation's neediest families. Of the families currently receiving HCV assistance:

- 80 percent are extremely low-income;
- 35 percent of households served have an elderly head of household;
- 22 percent have a non-elderly disabled head of household; and
- 32 percent of families served have female heads of household with children.

Without rental assistance, these families face a heightened risk of housing instability and homelessness and must often forgo other life necessities, such as food, clothing, and medicine because of high housing costs.

HCV assistance is primarily tenant-based assistance, which means the assistance is not permanently tied to a particular unit or project, but rather to an individual household. The household is responsible for finding a suitable unit in the private rental market. The PHA pays a monthly housing assistance payment directly to the owner on behalf of the family. That payment helps cover the gap between what very low-income families can afford to pay for rent and the actual rent charged, within reasonable limits established by HUD and local housing agencies. The HCV program relies on private sector partnerships to provide affordable housing opportunities effectively and efficiently in the local community instead of depending on more costly direct government intervention to build additional affordable housing.

Based on the assumptions provided for the 2027 Budget, the amounts in this Budget will be sufficient to fully fund TBRA (including Mainstream Vouchers) Housing Assistance Payments (HAP). This estimate accounts for the changes in the 2027 Budget that are necessary to address the significant cost-overruns the HCV program experienced in the past few years. HUD will require all PHAs to cease issuance of new vouchers, with some limited exceptions such as the Melania Trump Foster Youth to Independence and the HUD-VASH programs, and selected project-based voucher activities. Additionally, HUD will implement various cost-savings measures, such as addressing the use of exception payment standards and other cost drivers through administrative action.

The amount for Contract Renewals includes \$925 million to continue assistance for approximately 92,500 low-income veteran households under the VASH program and includes \$343 million to renew

assistance for approximately 25,000 youth and families participating in the Family Unification/Melania Trump Foster Youth to Independence programs. In addition, the 2027 Budget includes \$800 million for Contract Renewals of Mainstream Vouchers for Non-Elderly Disabled families. Previously, this amount had been included separately in the Mainstream Vouchers account.

The Administrative Fee proration will be approximately 90 percent for TBRA (including Mainstream Vouchers); administrative fees allow PHAs to adequately operate the program in accordance with HUD requirements.

HUD continues to take steps to improve the operations of the voucher program, enhance systems, and streamline requirements to reduce the administrative burden for families, PHAs and owners. The continued implementation of the Housing Opportunities Through Modernization Act (HOTMA) will provide PHAs with new flexibilities that will enable them to reduce administrative burden and redirect those resources to improving performance and services.

The 2027 Budget supports HUD's priority of increasing participant self-sufficiency by requiring PHAs to adopt work requirements and time limits for non-elderly, non-disabled HCV program participants, increasing economic independence.

The 2027 requested funding levels and description for the major components of the HCV Program to achieve the above priorities are:

#### **Contract Renewals - \$35.6 billion**

The 2027 Budget provides \$35.6 billion for TBRA Renewals, including costs associated with vouchers needing to be renewed for the first time in 2027. Combined with the natural attrition that will occur (due to the prohibition on issuing new vouchers) this funding level will ensure that no currently assisted families lose assistance throughout 2027. The assumptions supporting the TBRA renewal estimate are based on PHAs' HAP expenses reported in the Voucher Management System (VMS) throughout the calendar year.

The contract renewals request includes \$800 million for Mainstream Vouchers contract renewals. The Mainstream Vouchers program provides tenant-based assistance for non-elderly persons with disabilities to access affordable, private housing of their choice. In previous Budgets, both new units and renewals of existing Mainstream Vouchers were funded separately from the HCV Contract Renewals. However, in the 2026 appropriation, Mainstream Vouchers were included with contract renewals. To continue to lessen administrative burden on both HUD and PHAs, the 2027 Budget continues to renew Mainstream Vouchers as part of the general account for contract renewals. Funding for Mainstream Vouchers will thereby be administered as it is for other special purpose vouchers, where a specific set-aside provides funds for new vouchers and future renewal costs are funded under contract renewals.

The contract renewals request includes a HAP set-aside of up to \$200 million for HAP renewal adjustments. This includes funding to prevent HAP shortfalls at PHAs that have taken adequate cost-savings measures.

### **Administrative Fees - \$3.0 billion**

Administrative fees provide PHAs with the resources necessary to administer rental assistance, including conducting inspections, completing tenant income certifications, and paying salaries and overhead costs incurred in managing the HCV program (including Mainstream Vouchers). This funding level includes up to \$30 million in Administrative Fee set-aside for special fees, such as, but not limited to, special fees for homeownership closings and to address unforeseen and extraordinary circumstances. The funds provided will fund the account at approximately a 90 percent proration.

### **Tenant Protection Vouchers - \$300 million**

Tenant Protection Vouchers (TPVs) are provided to families impacted by housing conversion actions beyond their control. The request, combined with carryover funds and cost saving measures, is sufficient to meet the estimated need of approximately 28,500 vouchers. The TPV need includes housing demolition and/or disposition (including TPVs for RAD Blend developments), Voluntary Conversions, Choice Neighborhoods developments, and HUD multifamily housing conversions triggered by events, including when private owners of multifamily developments choose to leave the project-based rental assistance program or prepay their multifamily mortgages and Moderate Rehabilitation replacements. The 2027 President's Budget changes the TPV eligibility period to 12 months after the unit was occupied from 24 months, among other administrative actions that will achieve program cost savings.

### **Melania Trump Foster Youth to Independence Initiative - \$30 million**

The budget also requests \$30 million to support the award of new housing vouchers for approximately 1,700 additional households under the Melania Trump Foster Youth to Independence (FYI) program (funded under the Family Unification Program umbrella). These vouchers will assist youth aging out of foster care to stay housed to prevent homelessness and instability. Under Melania Trump FYI, eligible youth who have either exited foster care or will exit foster care within 180 days and are either homeless or at risk of homelessness receive housing assistance for 36 months, unless the young person meets the requirements to extend assistance under the Fostering Stable Housing Opportunities Act. The President's Budget supports increased access to Melania Trump FYI vouchers by extending from 90 days to 180 days for when a youth exiting care may be referred for assistance. Further, it provides greater clarity on who is eligible to receive assistance. To maximize utilization, both competitively and non-competitively awarded Melania Trump FYI funds may be recaptured and made available non-competitively to meet changing demand.

### **Outcomes, Performance Indicators and Other Evidence**

The demographics of the families participating in the HCV program demonstrate how this program serves those most in need. The average household size is 2.2 persons, with an average household income of approximately \$18,814 (the Federal Poverty Guideline Level is \$21,150 for a two-person household in 2025). Extremely low-income families (families with incomes less than 30 percent of an area's median income) make up approximately 80 percent of households served. More than half of households are headed by seniors and people with disabilities (including 22 percent that are headed by non-elderly people with disabilities), and 32 percent are female-headed families with children. Twenty-seven percent of households earn wages as their primary source of income, and the average household contribution towards monthly rent (Total Tenant Payment) is \$485.

The Worst-Case Housing Needs: 2025 Report to Congress examines trends in and causes of worst-case needs in 2023.<sup>1</sup> This report finds that since 2019, worst case housing needs have increased across demographic groups, household types, and regions throughout the United States; meaning that these households are severely rent burdened, live in inadequate housing conditions, or both. The unmet need for decent, safe, and affordable rental housing continues to outpace income growth and the ability of Federal, State, and local governments to supply housing assistance and facilitate affordable housing production. As a result, the number of families with worst case housing needs in 2023 remained close to the peak level measured in 2021. Households with worse-case housing needs can be at elevated risks of experiencing homelessness.

## **Stakeholders**

The HCV program will continue to rely on private-sector partnerships to provide affordable housing opportunities effectively and efficiently to residents in their local community. Specifically, HUD works with numerous stakeholders in providing HCV assistance to families, which, in addition to PHAs and private landlords, include:

- Other Federal Agencies, such as the Department of Veterans Affairs;
- State and local entities, such as Public Child Welfare Agencies;
- Housing Industry Associations;
- Homelessness service providers;
- Disability services providers; and
- Resident Groups.

## **Operational Improvements**

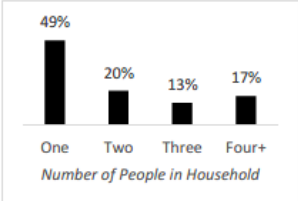
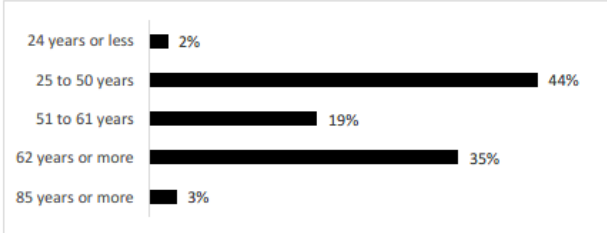
HUD continues to take steps to improve the operations of the voucher program, enhance systems, streamline requirements to reduce the administrative burden on PHAs and sustain its collaborative relationships with key program stakeholders. The continued implementation of HOTMA will provide PHAs with new flexibility that will enable them to reduce administrative burdens and redirect those resources to improve performance and services. HUD will assist PHAs in the implementation of the mandatory work requirements and time limits that HUD is proposing in this Budget by providing comprehensive guidance and technical assistance. HUD also will support PHAs in the implementation of the Qualified Citizens rule, ensuring that rental assistance is not provided to any ineligible non-citizen household members.

Further reducing PHA administrative burden will be the proposed prohibition on the issuance of new vouchers and execution of non-RAD PBV commitments. Under the President's 2027 Budget, PHAs will be prohibited throughout 2027 from issuing new turnover vouchers (with a few exceptions) and will be strongly encouraged to effectuate meaningful cost savings. HUD will be engaging in a series of administrative and regulatory actions to ensure that the HCV program achieves cost-savings, including by addressing excessive payment standards. HUD also is limiting the period of time by which a unit can be vacant to be eligible for tenant protection vouchers, reducing the overall need for TPVs.

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<sup>1</sup> The Worst-Case Housing Needs: 2025 Report to Congress (<https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2025-Report-to-Congress.html>)

HUD also recently deployed the Enterprise Voucher Management System (eVMS), which is helping to automate the workflow process for fund allocation management, calculate the HAP funding requirement for each PHA and improve data stewardship. HUD will continue to enhance eVMS, including by expanding its use to Moving to Work PHAs. Additionally, HUD is working to update systems to facilitate full implementation of HOTMA for all PHAs.

<b>Q1 2026 Housing Choice Voucher Tenant Characteristics</b>												
<p><b>How many households and people are served?</b></p> <p>5.1 million people</p> <p>2.4 million households</p>	<p><b>What are the racial and ethnic characteristics of the people served?</b></p> <p>77% of the people served are in a racial or ethnic minority group.</p> <table border="1"> <thead> <tr> <th>Asian/Pacific Islander, non-Hispanic</th> <th>Black, non-Hispanic</th> <th>Hispanic</th> <th>Native American, non-Hispanic</th> <th>White, non-Hispanic</th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>53%</td> <td>20%</td> <td>1%</td> <td>23%</td> </tr> </tbody> </table>	Asian/Pacific Islander, non-Hispanic	Black, non-Hispanic	Hispanic	Native American, non-Hispanic	White, non-Hispanic	3%	53%	20%	1%	23%	<p><b>What are the characteristics of the heads of household?</b></p> <p>Female headed families with children <b>32%</b></p> <p>Older Adults (62+) <b>35%</b></p> <p>People younger than 62 who have disabilities <b>22%</b></p>
Asian/Pacific Islander, non-Hispanic	Black, non-Hispanic	Hispanic	Native American, non-Hispanic	White, non-Hispanic								
3%	53%	20%	1%	23%								
<p><b>How big are the households?</b></p>  <p>Number of People in Household</p>	<p><b>How old are the heads of household?</b></p> 	<p><b>What is the share of rent paid by the tenant and HUD?</b></p> <p>Average household contribution: <b>\$494</b></p> <p>Average HUD Contribution: <b>\$1,165</b></p>										
<p><b>What are the income levels of assisted households?</b></p> <p>Assisted households have an average gross income of <b>\$19,121</b>.</p> <p><b>67%</b> of households have incomes \$20,000 or less per year</p>		<p><b>How do household incomes compare to the local area median income?</b></p> <p>Extremely low income (less than 30% AMI) <b>79%</b></p> <p>Very low income (less than 50% AMI) <b>16%</b></p> <p>Low Income (50% to 80% AMI) <b>4%</b></p>										

Note: Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages.  
 Source: Households reported to HUD’s PIC system (via Form-50058; includes programs: CE, MR, VO, PR-MTW, T-MTW; excludes action types: port-outs, EoP, searching) as of 12/31/2025 with effective dates spanning the prior 18 months.

### Information Technology

Enterprise Voucher Management System (eVMS): HUD continues to make progress toward modernizing its Information Technology (IT) systems to improve the administration of TBRA programs. In coordination with the Office of the Chief Information Officer and as part of the approved 2021 and 2022 PIH IT Performance Plan, PIH is developing a new system, the Enterprise Voucher Management System (eVMS), which will automate the calculation of funding and disbursements for most TBRA programs and associated Administrative Fees using household level data, enabling PIH to tie voucher payments directly to household level need calculations. The eVMS will also enable PIH to auto-reconcile housing assistance payment needs within two to three days for each PHA based on household-level changes (e.g., rent changes, move-ins, move-outs, portability) and consistent with case management requirements to calculate funding based on the established need. The eVMS will also provide substantial insight into voucher utilization, which will enhance HUD’s ability to promote leasing and will implement further financial controls required under the Payment Integrity and Information Act (PIIA) of 2019.

Information Management Systems/Public Housing Center (IMS/PIC) Development and Operational and Maintenance Support: HUD is renewing a commitment to the IMS/PIC to ensure that PHAs can successfully implement HOTMA and so that HUD can collect critical administrative data from MTW expansion PHAs. IMS/PIC is crucial to the day-to-day operations of the Public Housing and HCV programs and the accurate calculation of the applicable formulas. HUD is continuing to evaluate IMS/PIC to determine whether to transition to another platform or to further develop IMS/PIC for the future.

PIH Modernization Enterprise Income Verification System (EIV) (ongoing investment from prior year funding): HUD received funds to modernize the EIVS in the 2023 Budget. The EIV modernization is critical to two major HUD initiatives:

- 1) Achieving compliance with the Payment Integrity Information Act (PIIA) through reducing improper payments for HUD's TBRA and PBRA; and
- 2) Improving the life experiences of residents of HUD housing by automating/streamlining these households and individuals' ability to obtain income verification documentation from the Social Security Administration (SSA) and other Federal agency partners. This will reduce the burden on these households and PHA staff that are responsible for verifying income and eligibility for HUD's rental assistance programs.

Through this modernization, HUD is exploring upgrades to the EIV and application programming interfaces (APIs) that will allow for building modern data exchanges with its Federal partners including SSA and the Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services (HHS). This upgrade will allow for the real time, electronic sharing of income and certificate data provided by these entities, which will improve the ability of PHAs to validate income by reducing the temporal differences in income that occur today because data is only shared quarterly. This modernization will also allow PHAs, and households served by HUD programs (or those applying for HUD programs) to access this data electronically without having to walk into a SSA office.

PIH Data Warehouse (ongoing investment from prior year funding): PIH began work on modernizing its Data Warehouse in early fiscal year 2024 using prior year IT modernization appropriations. The PIH Data Warehouse effort is critical to PIH's oversight and operation of tens of billions worth of rental housing assistance subsidies. All data required to be submitted to PIH is stored in its Data Warehouse, which is nearly 20 years old, costly to maintain, and difficult to update.

Today, all funding and oversight processes such as Capital Fund and Operating Fund calculations and all PIH's data analytics, including dashboards for Public Housing and Voucher utilization, rely on this data. Modernizing the PIH Data Warehouse will allow PIH to better share information across systems and result in the development of more robust data analytics evaluating the risk and performance of all PIH rental housing assistance programs, including predictive identification of troubled or near troubled PHAs, properties, and programs. This modernization effort will also move the PIH Data Warehouse to a Federal Risk and Authorization Management Program (FedRAMP) secure cloud-based environment which is much less costly for storing data.

TENANT-BASED RENTAL ASSISTANCE (TBRA)

HUDCAPS Section 8 Disbursement Capability and Pilot (ongoing investment from prior year funding): PIH also began work on developing a capability to remove disbursements of Housing Assistance Payments (HAP) and Administrative Fees (Admin Fees) from the HUD Central Accounting and Program System (HUDCAPS)--an approximately 20-year-old mainframe programmatic and financial accounting system used to disburse and capture accounting transactions for TBRA programs. HUDCAPS is both very costly to maintain and very cumbersome to use for the disbursement and tracking of HAP and Admin Fees. Considering those payments to PHAs (transmitted on behalf of households to owners/landlords) are disbursed from HUDCAPS, any performance issues would substantially disrupt the TBRA program and could have an adverse impact on owner/landlord recruitment and retention.

PIH is working with its partners in OCIO and the Office of Chief Financial Officer to demonstrate the ability to make TBRA disbursements to PHAs in a new, secure, cloud-based application other than HUDCAPS. This capability will also accurately capture accounting transactions and interface these transactions with HUD's General Ledger, which should help during future audit preparation and in the tracking of repayments. Additionally, this HUDCAPS capability will be integrated with the eVMS, creating a full lifecycle for the calculation, disbursement and accounting of HUD's largest program, TBRA. Once this disbursement capability is developed for a pilot group of PHAs it will be scaled nationally to the full universe of PHAs participating in TBRA programs.

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Section 8 Contract Renewals	32,145,124	799,300	144,000	33,088,424	32,565,719	34,957,000	522,721	166,284	35,646,005	35,565,000
<i>Renewal Set-Aside [Non-Add]</i>	200,000	194,281	-	394,281	179,377	400,000	200,826	50,000	650,826	200,000
<i>Advanced Appropriations from last Fiscal Year [Non-Add]</i>	4,000,000	-	-	4,000,000	4,000,000	4,000,000	-	-	4,000,000	4,000,000
<i>Advance Appropriations for next Fiscal Year [Non-Add]</i>	4,000,000	-	-	4,000,000	-	4,000,000	-	-	4,000,000	4,000,000
<i>Tribal HUD-VASH [Non-Add]</i>	7,500	9,969	-	17,469	9,295	-	8,173	-	8,173	-
<i>Classified as Emergency/Disaster [Non-Add]</i>	6,000,000	6,201	-	6,006,201	6,006,006	-	195	-	195	-
<i>Mainstream 811 Voucher Renewals [Non-Add]</i>	-	-	-	-	-	-	-	-	-	-
Section 8 Rental Assistance (Tenant Protection Vouchers)	337,000	359,007	(124,000)	572,007	324,578	600,622	247,391	(150,100)	697,913	300,000
<i>Set-Aside - Tenant Protection Assistance Low Vacancy [Non-Add]</i>	-	-	-	-	-	-	-	-	-	-
Administrative Fees	2,770,935	439,284	(26,000)	3,184,219	2,945,119	2,835,935	239,100	(20,000)	3,055,035	2,951,000
<i>Set-Aside - Assistance to PHAs [Non-Add]</i>	30,000	43,149	-	73,149	3,728	30,000	55,217	-	85,217	30,000
Mainstream 811 Voucher Renewals	742,941	142,889	30,000	915,830	769,638	-	146,191	-	146,191	-
HUD-VASH	15,000	69,878	-	84,878	40,071	15,000	44,806	-	59,806	-
Mobility-Related Social Services	-	490	-	490	-	-	490	-	490	-
New Incremental Vouchers	-	1,088	-	1,088	-	-	1,088	(1,088)	-	-
Family Unification Program (FUP) Vouchers	30,000	54,264	(25,000)	59,264	36,271	30,000	22,994	-	52,994	30,000
FSS Coordinator	-	26	-	26	-	-	26	-	26	-
Mobility Demonstration	-	5,031	-	5,031	-	-	5,031	(5,031)	-	-
Homelessness and Domestic Violence	-	165	-	165	-	-	165	(165)	-	-
Rental Assistance Demonstration (Section 202)	-	-	-	-	-	-	-	2,000	2,000	-
Rental Assistance Demonstration (Public Housing)	-	14,627	31,000	45,627	30,662	-	15,230	45,000	60,230	-
Administrative Fees - (CARES Act)	-	165	-	165	-	-	165	-	165	-
Emergency Housing Vouchers (ARP Act)	-	1,559,631	-	1,559,631	1,539,629	-	20,002	-	20,002	-
Administrative Fees (ARP Act)	-	120,223	-	120,223	110,223	-	10,000	-	10,000	-
Allocation Adjustment (ARP Act)	-	-	-	-	-	-	-	-	-	-
Contract Renewal (ARP Act)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36,041,000</b>	<b>3,566,068</b>	<b>30,000</b>	<b>39,637,068</b>	<b>38,361,910</b>	<b>38,438,557</b>	<b>1,275,400</b>	<b>36,900</b>	<b>39,750,857</b>	<b>38,846,000</b>

a/ 2025 Appropriation designates \$6 billion of the TBRA Contract Renewal appropriation as an emergency requirement.

- b/ 2025 Carryover includes \$4.5 million in recaptured prior year unpaid obligations and \$1.7 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.
- c/ 2025 Total Resources include: (1) Transfers of \$31 million transferred from the Public Housing Fund and \$1 million transferred to the Project-Based Rental Assistance accounts for the purpose of Rental Assistance Demonstration (RAD) conversions. (2) Operating Plan realignment of a net zero amount that realigned \$144 million to contract TBRA Contract Renewal.
- d/ 2026 Carryover includes \$30 million in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.
- e/ 2026 Total Resources include: (1) Transfers of an estimated \$45 million transferred from the Public Housing Fund, \$2 million transferred from the Housing for the Elderly account and \$10 million transferred to the Project-Base Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions. (2) Internal shortfall realignment of a net zero amount that realigned \$166.3 million to contract TBRA Contract Renewal.
- f/ 2027 Transfers include an estimated \$40 million transferred from the Public Housing Fund and \$2 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.

## LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

### Appropriations Language Changes

The 2027 President's Budget includes the following new proposals:

- Prohibition against issuance of new housing vouchers: The 2027 Budget proposes to prohibit public housing agencies from issuing any new housing vouchers in 2027, including by entering into new project-based voucher (PBV) commitments. HUD-VASH vouchers and Family Unification Program vouchers (including Melania Trump FYI vouchers), as well as vouchers to lease existing PBV units or to execute new RAD PBV commitments are exempted from the prohibition.
- Eliminate several categories of eligibility under the \$200 million HAP set-aside: Under the proposed HAP set aside, eligible PHAs may receive funding adjustments for costs associated with HUD-VASH vouchers and to prevent terminations of assistance. All other set-aside categories are eliminated.
- Reduce TPV eligibility: Restrict replacement TPV eligibility to units occupied in the previous 12 months, rather than 24 months.
- Changes to the Family Unification Program: Changes include a clarification of the eligibility age for foster youth and new provisos authorizing HUD to recapture and reallocate FUP budget authority from agencies that no longer have an identified need for the assistance.
- Deletion of MTW single-fund exclusion from renewal funding offset: Deletion of language excluding amounts subject to the single fund budget authority in MTW agreements with PHAs from the excess reserve offset for 2027 renewal funding allocations.
- Authority to repurpose TBRA carryover to avoid or reduce proration and to prevent terminations of assistance: Addition of proviso authorizing the Secretary to repurpose unobligated balances, including recaptures and carryover, remaining from prior year TBRA appropriations to avoid or reduce the proration of renewal funding allocations and to prevent terminations of assistance.
- Eliminate one category of eligibility under the TPV set aside: Under the \$5 million TPV set aside, eligibility will be limited to instances where (a) there is a maturing HUD-insured, HUD-held, or Section 202 loan that requires the Secretary's permission to proceed with loan repayment; and (b) there are expiring affordability restrictions accompanying a mortgage or preservation program administered by the Secretary.

## General Provisions

The 2027 President's Budget proposes the following general provisions:

- Assistance for Students at Institutions of Higher Education: This provision clarifies the eligibility for assistance under section 8 of the United States Housing Act of 1937. (Sec. 205)
- PHA Executive Compensation: This provision establishes a cap on PHA personnel compensation tied to the Federal Executive Schedule pay scale. (Sec. 213)
- Moving to Work Flexibilities: This provision allows public housing agencies designated as Moving to Work agencies to use pre-designation housing choice voucher and public housing funds, including reserves, consistent with the Moving to Work authorities. (Sec. 217)
- Rental Assistance Demonstration: This provision removes the limit on number of units that may convert assistance under the First Component of RAD. (Sec. 218)
- Waivers for Vouchers: This provision allows PHAs greater flexibilities in leasing their Mainstream, Family Unification, and Melania Trump Foster Youth to Independence vouchers. (Sec. 221)
- Work Requirements and Time Limits: This provision gives the Secretary permanent authority to require PHAs and multifamily property owners to implement work requirements and time limits for assisted families other than those who fall into an exempted category, for example due to their age or status as a disabled individual. (Sec. 232)
- Improving PHA Performance: This provision gives greater authority to the Secretary to require PHAs with poor performance to enter into recovery agreements with HUD designed to improve property conditions and financial management. (Sec. 233)
- The Melania Trump Foster Youth to Independence Initiative: This provision permanently renames the Foster Youth to Independence program to the Melania Trump Foster Youth to Independence Initiative. (Sec. 237)

## APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

*For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (in this title "the Act"), not otherwise provided for, \$34,846,000,000, to remain available until expended, which shall be available on October 1, 2026 (in addition to the \$4,000,000,000 previously appropriated under this heading that shall be available on October 1, 2026), and \$4,000,000,000, to remain available until expended, which shall be available on October 1, 2027: Provided, That of the sums appropriated under this heading—*

*(1) \$35,565,000,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose incremental vouchers: Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2027 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) or successor system leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first-time renewal of vouchers under this paragraph including tenant protection and Choice Neighborhoods*

*vouchers: Provided further, That none of the funds provided under this paragraph may be used to fund a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract, except for public housing agencies participating in the Moving to Work (MTW) demonstration, which are instead governed in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph (except as otherwise modified under this paragraph), prorate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this paragraph) shall be obligated to the public housing agencies based on the allocation and pro rata method described above: Provided further, That public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same pro rata adjustments under the preceding provisos: Provided further, That the Secretary may perform a statutory offset of public housing agencies' calendar year 2027 allocations based on the excess amounts of public housing agencies' net restricted assets accounts, including HUD-held programmatic reserves (in accordance with VMS or successor system data in calendar year 2026 that is verifiable and complete), as determined by the Secretary: Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the statutory offset, as determined by the Secretary, from the agencies' calendar year 2027 MTW funding allocation: Provided further, That the Secretary shall use any offset referred to in the preceding two provisos throughout the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations: Provided further, That the Secretary may utilize unobligated balances, including recaptures and carryover, remaining from amounts made available under this heading in prior Acts, notwithstanding the purposes for which such amounts were appropriated, to prevent the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the proration of renewal funding allocations: Provided further, That a public housing agency, including those participating in the MTW demonstration, may not use amounts provided by the Secretary under this paragraph in this or prior Acts to issue any new vouchers or otherwise assist new families, including by entering into new project-based voucher (PBV) commitments, except that a public housing agency may issue vouchers for HUD Veterans Affairs Supportive Housing (HUD-VASH) and the family unification program (including the Foster Youth to Independence program), and may continue to lease units under a project-based voucher contract and execute new Rental Assistance Demonstration PBV commitments: Provided further, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph for the renewal of HUD-VASH vouchers (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: Provided further, That amounts repurposed under this heading that were previously designated by the Congress as an emergency requirements pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985 are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That up to \$200,000,000 shall be available only:*

*(A) for adjustments for costs associated with HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers; and*

*(B) for public housing agencies that, despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate rental assistance for families as a result of insufficient funding:*

*Provided further, That the Secretary shall allocate such amounts under the preceding proviso based on need, as determined by the Secretary;*

*(2) \$300,000,000 shall be available for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, relocation of witnesses (including victims of violent crimes) in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended, or under the authority as provided under this Act: Provided, That the Secretary may repurpose amounts made available under this paragraph to utilize such amounts to prevent the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the proration of renewal funding allocations under paragraph (1) under this heading: Provided further, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: Provided further, That the Secretary may provide section 8 rental assistance from amounts made available under this paragraph for units assisted under a project-based subsidy contract funded under the "Project-Based Rental Assistance" heading under this title where the owner has received a Notice of Default and the units pose an imminent health and safety risk to residents: Provided further, That of the amounts made available under this paragraph, no less than \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of: (A) the maturity of a HUD-insured, HUD-held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; or (B) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: Provided further, That such tenant protection assistance made available under the preceding proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the Act: Provided further, That any tenant protection voucher made available from amounts under this paragraph shall not be reissued by any public housing agency, except the replacement vouchers as defined by the Secretary by notice, when the initial family that received any such voucher no longer receives such voucher, and the authority for any public housing agency to issue any such voucher shall cease to exist: Provided further, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 12 months that cease to be available as assisted housing, subject only to the availability of funds;*

*(3) \$2,951,000,000 shall be available for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, HUD—VASH vouchers, and other special purpose incremental vouchers: Provided, That no less than \$2,921,000,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2027 funding cycle based on section 8(q) of the Act (and related appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276): Provided further, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the*

*preceding proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the preceding proviso, utilize unobligated balances, including recaptures and carryover, remaining from funds appropriated under this heading from prior fiscal years, excluding special purpose vouchers, notwithstanding the purposes for which such amounts were appropriated: Provided further, That all public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same uniform percentage decrease as under the preceding proviso: Provided further, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;*

*(4) \$30,000,000 shall be available for the family unification program as authorized under section 8(x) of the Act: Provided, That the amounts made available under this paragraph shall be available for new incremental voucher assistance for the Melania Trump Foster Youth to Independence Initiative to assist eligible youth who have attained at least 18 years of age and not more than 24 years of age and who have left foster care, or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act [42 U.S.C. 675(5)(H)], and are homeless or are at risk of becoming homeless, notwithstanding section 8(x)(2) of the Act, which shall continue to remain available for such eligible youth upon turnover: Provided further, That the Secretary shall review utilization of assistance originating from appropriations made available for the under this heading or any prior Act that the Secretary made available on a competitive or noncompetitive basis, at an interval to be determined by the Secretary, and unutilized voucher assistance that is no longer needed based on such review shall be recaptured by the Secretary and reallocated on a noncompetitive basis:*

*(5) the Secretary shall separately track all special purpose vouchers funded under this heading.*