

# NEW YORK HOUSING CONFERENCE

February 27, 2025

<https://thenyh.org>

## Trump Administration Moves to Advance Priorities In Congress and DOGE Chainsaw Chops Away at HUD

This week the House of Representatives narrowly passed a budget resolution 217-215, laying out the framework for a sweeping tax package to extend the Trump tax cuts set to expire in December, drastically cut spending and achieve other policy priorities for President Trump.

The resolution calls for \$4.5 trillion in tax cuts and at least a \$2 trillion reduction in spending over a decade. The resolution would also raise the debt ceiling by \$4 trillion. The following committees are instructed to find a minimum level of cuts of:

- \$880 billion in Energy and Commerce
- \$330 billion in Education and Workforce
- \$230 billion in Agriculture
- \$50 billion in Oversight and Government Reform
- \$10 billion in Transportation and Infrastructure
- \$1 billion in Financial Services
- \$1 billion in Natural Resources

Reconciliation is a process separate from annual appropriations that allows Congress to bypass the filibuster and pass big spending packages by a simple majority if they meet certain restrictions. However, both the Senate and the House must adopt the same bill to move forward and there has been disagreement between the two chambers on the approach to passing policy priorities through this method. The Senate wants to pass two reconciliation bills and has already passed a competing budget resolution focused on energy, military and the border with the intention to extend tax cuts later in the year.

In the House version, instructions to the House Financial Services Committee which covers housing calls for \$1 billion in cuts. It is important to note that Financial Services covers HUD but also includes many other areas, such as the CFPB which has been a [target of White House](#). CFPB budget over ten years is more than \$800 million, potentially a large share of the targeted savings.

Over the next weeks and months, there will be intense negotiations in Washington. The federal government is currently running on a continuing resolution until March 14. The debt ceiling limit will be hit in April. The last debt ceiling agreement called for appropriations bills to be passed to raise it again. Both Senate and House bills will impact housing.

The FY2025 Senate bill calls for proration of Section 8 budget by 97.5% (\$141M cut for NYC), meaning thousands of the Section 8 vouchers in NY will be at risk. While the House bill calls for even steeper cuts with proration of the Section 8 budget at 88.6% (\$357M cut for NYC), public housing cuts of 5% to the capital budget and 6% to operating and cuts to the HOME program at 2/3 the current budget. Both bills propose cuts to the Tenant Protect Vouchers which support NYCHA's preservation through both PACT and the Public Housing Preservation Trust, representing an 11% cut for NYC.

If appropriations bill are passed, they will fund the fiscal year through September. If House Republicans can get votes for one big bill, they hope to pass it in May and there could be impacts in FY2025. Otherwise, the Senate's approach to leaving a tax bill for later in the year will prevail.

On the tax bill, it is increasingly clear that it is already difficult to pay for renewing the expiring tax cuts and adding in new tax expenditures will be even more challenging. There is even some discussion of [privatizing Fannie & Freddie](#) to help pay for the bill. Eliminating tax-exempt private activity bonds was included on a laundry list of "pay for" ideas by House Republicans last month. LIHTC expansion is not part of the expiring tax expenditures and it would require additional tax expenditures and correlating budget savings but we are still push to include LIHTC in any tax bill.

*To sum it up, we are likely so see cuts to housing but we do not yet know about budget impacts for this fiscal year or what types of cuts HUD may face moving forward and timing is unclear. We will be monitoring the potential impact of funding uncertainty on affordable housing closings this spring.*

## DOGE'S CHAINSAW

In a [leaked memo](#) this week, which was far less entertaining than [video](#) shown in HUD's hallways, a plan was revealed to reduce HUD staff by 50%, from 8,313 staff to 4,047. Provisional staff (606 of them) have already been fired and the next targets are GS13 civil service level and below. Program areas would face steep losses, which are sure to impact HUD-assisted households and affordable housing development. Even if the HUD budget is somewhat protected, the staff reductions will clearly impact HUD's ability to get funding out and run programs. This is a major concern.

Program Office	Onboard as of 1/21/5	est. -10% DRP Red.	Day 21 Headcount	Probationary Termination	RIF Reduction	Day 120 Headcount	% Reduction
CPD	936	44	892			150	84.00%
DM (All Offices)	61	2	59			37	39.00%
FHEO	572	40	532			134	76.50%
FPM	372	61	311			205	45.00%
GNMA	270	20	250			243	10.00%
HSNG	2532	172	2360			1,418	44.00%
OCAO (incl FO:15)	261	27	234			131	50.00%
OCFO	246	9	237			143	42.00%
OCHCO	219	25	194			110	50.00%
OCIO	270	22	248			188	30.20%
OCPO	147	5	142			74	50.00%
ODEEO	19	0	19			10	50.00%
OGC	628	28	600			365	41.80%
OLHCHH	55	5	50			28	49.30%
PDR	196	14	182			48	75.50%
PIH	1529	132	1397			765	50.00%
<b>Grand Total</b>	<b>8313</b>	<b>606</b>	<b>7707</b>			<b>4,047</b>	<b>48.68%</b>

Note DOGE chart has a formula error in total for Day 120 Headcount which should be 4049.

For example, the Office of Community Planning and Development oversees the Continuum of Care, HOME, CDBG and disaster recovery among other programs is slated to be reduced by 84% or 786 workers. The Office of Housing overseeing FHA, multifamily housing and RAD among other programs will be reduced by 44% or 1114 staff. The Urban Institute discusses the impact on lending [here](#). It seems like with staff reduction plans of the scale the intent could possibly be to consolidate or eliminate field offices.

DOGE is reporting on "savings" without many details. HUD claims to have recovered \$1.9 billion of "misplaced" funds and \$260 million in additional savings.

There are also awards that seem to be withheld for the Green Retrofit and Resiliency Program (GRRP) which is funding upgrades in HUD assisted projects, including many in NY. HUD has also failed to issue funding on new 202 awards. See the letters from [Senate Democrats](#) on impoundment and [National Leased Housing](#) to HUD Secretary Turner.

Under DEI executive orders, HUD has also moved to [cancel technical assistance contracts](#) under Section 4. Enterprise Community Partners, LISC and Habitat for Humanity are typically grant recipients.

Yesterday HUD Secretary Turner [terminated](#) the Affirmatively Furthering Fair Housing (AFFH) rule calling it a "zoning tax".

### WHO ARE WE FIGHTING FOR?

HUD assists more than 1 million New York renters living in cities and suburbs, and over 50,000 in rural areas and small towns. 67% are seniors, children, or people with disabilities. \$23,675 is the average household income.

- Section 8 Housing Choice Vouchers help **half a million** New Yorkers stay housed, preventing evictions and buy necessities like food, childcare and healthcare.
- **482,000 New Yorkers** live in HUD-assisted buildings including public housing, project-based Section 8 and housing for the elderly and disabled persons.

### TAKE ACTION TODAY

What can you do to help **1,069,400 New Yorkers who rely on HUD** programs? You can join us in sending an urgent message to the New York Congressional delegation to protect and expand federal housing resources that are crucial to keeping constituents all over this state stably housed – including HUD programs and the Low-Income Housing Tax Credit (LIHTC). This Congress and Administration were elected by voters who were overwhelmingly motivated by economic concerns. However, while housing costs are the main driver of inflation and a household's greatest expense, we have seen NO meaningful federal action to lower housing costs. In the meantime, the affordable housing crisis is worsening by the day, driving up homelessness and creating a mounting cost burden for families in every state.

Sign-on to our [letter calling on our NY Congressional delegation to protect and expand federal housing resources including HUD programs and the Low-Income Housing Tax Credit \(LIHTC\)](#). Go to our advocacy webpage [here](#) to sign-on by **Wednesday, March 5<sup>th</sup>**.

[Sign-On Here](#)

# Resources



Rising Leaders Network

[REFER A FRIEND](#)



NYHC's NYC Housing Tracker

[SEE THE TRACKER](#)



Support Federal Advocacy

[JOIN ADVOCACY](#)

Follow us on social media:



[\*\*GET INVOLVED\*\*](#)

New York Housing Conference | 588 Broadway Ste. 1208 | New York, NY 10012 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!