

# Trump FY2026 Budget Impact on Housing in New York

## President Trump's FY2026 Budget Proposes 1) Major Cuts 2) Block Grants Housing Programs to States and 3) Establishes Term Limits for HUD Assistance

- **Major Cuts to HUD Budget**

President Trump proposes to slash the HUD budget by nearly 44%. NYHC estimates that **New York would lose more than \$4.4 billion** or nearly half of its federal housing funds. If enacted by Congress, this budget would jeopardize the housing safety net for [over a million people](#) across New York State, lead to an increase in evictions in New York as well as a substantial increase in mortgage defaults concentrated in multifamily buildings in low-income neighborhoods, creating serious financial consequences for lenders.

The proposed budget **eliminates all funding** for Public Housing Capital, HOME, Community Development Block Grants (CDBG) and the Fair Housing Initiatives Program.

- **Block Granting Rental Assistance & Homeless Grants**

The President's budget proposal shifts the federal housing safety net to states' responsibility by combining current rental programs into a single block grant including Section 8 (tenant-based and project-based vouchers), Public Housing, Section 811 and 202 housing. This would undermine existing contracts with building owners and the drastic cuts would threaten financing for thousands of multifamily properties.

The budget also proposes a similar approach to the nation's homeless grants which finance supportive housing in NY, putting this housing and their lenders at risk.

- **2-Year Term Limits for Non-Elderly & Non-Disabled**

The President's budget proposes limiting federal housing assistance to two years for all HUD-assisted households that do not have an elderly or disabled household member.

FY26 ESTIMATED HOUSING CUTS TO NY (Based on FY24 HUD Funding)		
	HUD Program	NYS Funding
<b>RENTAL ASSISTANCE BLOCK GRANT</b>	Section 8 Tenant-Based Rental Assistance	\$4,018,519,853
	Section 8 Project-Based Rental Assistance	\$2,282,474,476
	Public Housing (Capital & Operating)	\$2,330,021,043
	Housing for Persons with Disabilities (811)	\$14,085,211
	Housing for the Elderly (202)	\$150,459,234
	Total FY24	\$8,795,559,817
	Estimated FY26	\$4,788,874,322
	<b>Estimated FY26 Cut</b>	<b>-\$4,006,685,495</b>
<b>HOMELESS BLOCK GRANTS</b>	<b>HUD Program</b>	<b>NYS Funding</b>
	Emergency Solutions Grants (ESG)	\$27,917,892
	Housing Opportunities for Persons w/ AIDS	\$54,969,278
	Continuum of Care	\$326,569,371
	Total FY24	\$409,456,541
	Estimated FY26	\$387,384,819
	<b>Estimated FY26 Cut</b>	<b>-\$22,071,722</b>
<b>FUNDING ELIMINATED</b>	<b>HUD Program</b>	<b>NYS Funding</b>
	Community Development Block Grant	\$320,814,076
	HOME	\$116,012,503
	Fair Housing Initiatives Program	\$2,550,000
	Total FY24	\$439,376,579
	Estimated FY26	\$0
	<b>Estimated FY26 Cut</b>	<b>-\$439,376,579</b>
	<b>TOTAL NYS CUTS</b>	<b>-\$4,468,133,796</b>
Sources: usaspending.gov, hudexchange.info		

Up to 200,000 New York households may be subject to term limits if this proposal is enacted into law. In NY's tight housing market with a shortage of affordable rental homes, this policy would cause mass evictions, homelessness and widespread default on multifamily mortgages in areas with the highest concentration of Section 8 voucher use.

