

Washington Report

September 26, 2025



Meet the Presenters

Tushar Gurjal
Senior Policy Manager
tgurjal@nahro.org

Will There be a Shutdown?

Two options - a CR or a budget.

- Dem. CR is until Oct 31, allows using funding from prior years for voucher accounts.
- Rep. CR is until Nov 21, allows using funding from prior years for voucher accounts.
- WH CR is until March, allows using funding from prior years for voucher accounts.
- If there's a budget, we will definitely have a funding (there won't be a budget before the end of the month).

If there's no budget (aka SHUTDOWN).

- Many programs operate on a calendar year, so the payments should still go out.
- We've heard that the same shutdown procedures that happened in the past will continue to happen.



Shutdown Processes



- We are still waiting for HUD to publish Shutdown contingency plan
- Nonetheless we know the following:
- **Regular HAP and Admin. Fee** – HUD has preloaded the accounts to make sure the payments go out for Oct. and has preloaded the first 2 weeks of Nov.
- **Shortfall Payments** – HUD will make the payments for Oct. and is working on making the payments for Nov.
- Until we see the publicly published HUD contingency plan, anything beyond this is speculation.

Housing Choice Voucher



President's budget



- President's budget proposal would combine:
 - The Housing Choice Voucher program;
 - Public Housing;
 - Project-Based Rental Assistance;
 - Section 202 – Housing for the Elderly;
 - Section 811 – Housing for Persons with Disabilities.
- The administration would allocate \$36.2 billion for all the programs.

President's budget



- State Rental Assistance Program (SRAP)
- The SRAP program would provide funding to states and the states would decide how to spend the money.
- It would require states to
 - Prioritize rental assistance for people with disabilities and the elderly;
 - Consider currently assisted households; and
 - Incentivize self-sufficiency among program participants who are non-elderly and non-disabled through the use of a **two-year time limit** and “any other appropriate means.”

President's budget



- Although the program would have drastically less funding, states would be “free to design a program that works best for their local needs. Examples of what states could do include:
 - Continue with a system like the current system;
 - Block grant to local governments; or
 - Provide direct cash grants to recipients.

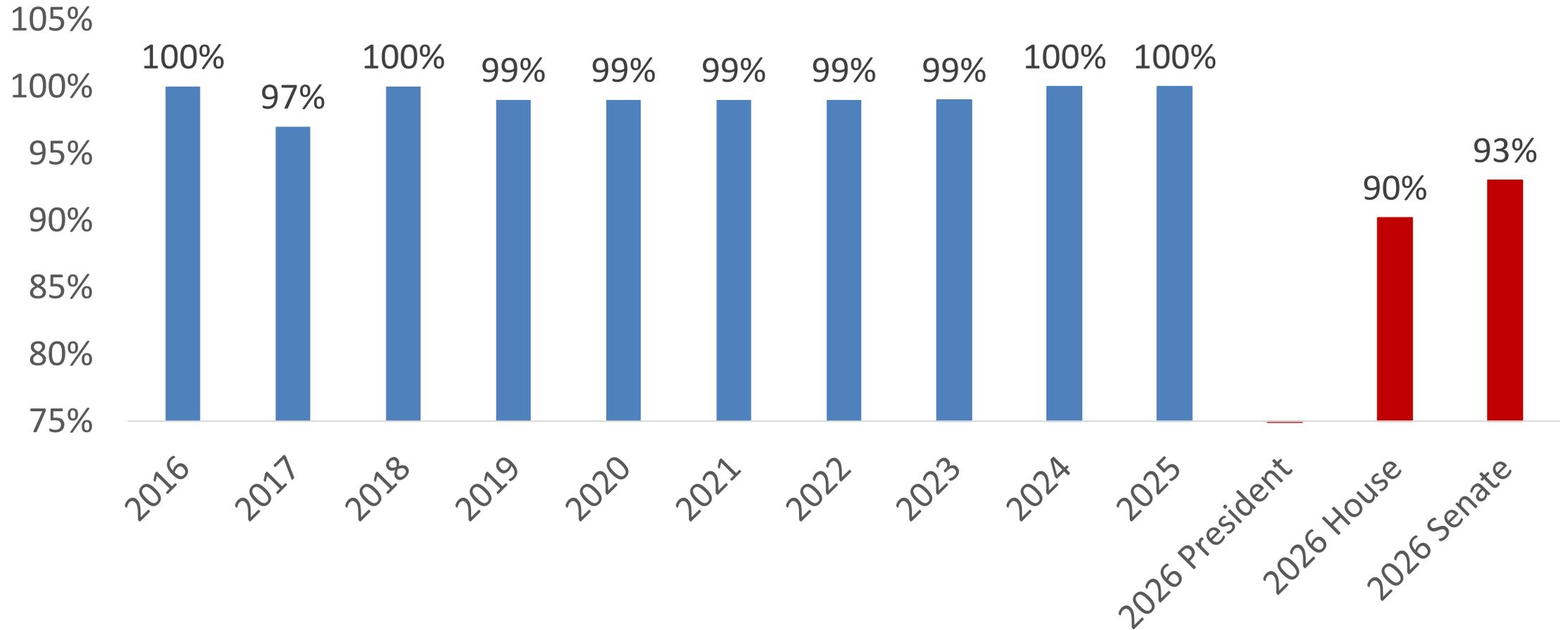
FY 2026 – Voucher Funding

Voucher account (in millions)	FY 24 Enacted	FY 25 Enacted	FY 26 President	FY 26 House	FY 26 Senate
HAP Renewals	\$28,491	\$32,145	--*	\$32,145	\$33,974**
Administrative Fees	\$2,771	\$2,771	--*	\$1,975	\$2,906

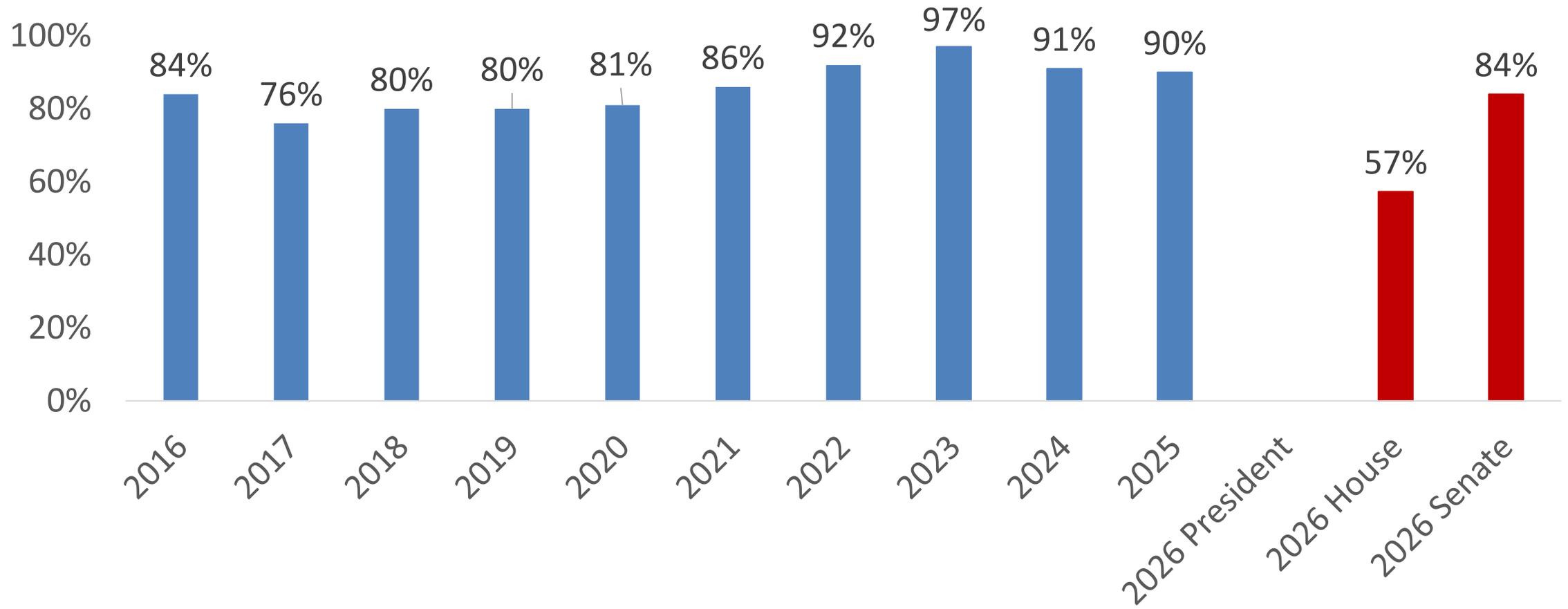
*Account combined into a State Rental Assistance Program (SRAP).

** Includes Mainstream voucher account.

HCV HAP PRORATION



HCV ADMIN FEE PRORATION



Voucher Expansion

Voucher program (in millions)	FY 24 Enacted	FY 25 Enacted	FY 26 President	FY 26 House	FY 26 Senate
Tenant Protection Vouchers	\$337	\$337	--	\$375	\$430
HUD-VASH	\$15	\$15	--	--	\$15
FUP (including FYI)	\$30	\$30	\$30*	\$30	\$30
Mainstream (including admin. fees)	\$743	\$743	--	\$743	\$810**

* Does not include FUP vouchers.

** This account is combined with the HAP renewals account and no longer separate.

House Bill Policy Provisions



- Provision not allowing HUD funds to be provided to jurisdictions that refuse to comply with Homeland Security requests to provide advanced notice of scheduled release for “illegal alien in local custody”
- Provision to allow HUD to develop a program to allow PHAs to create requirements around “total tenant payments, tenant rental payments, and housing assistance amounts”
 - HUD would not be able to rescind this custom payment/rent structure for at least 7 years
 - Would apply to PH and the HCV program

Senate Bill Policy Provisions



- Adds language allowing PHAs to exceed their ACC unit caps to facilitate transitioning families moving from EHV's to the regular voucher program, though costs that exceed ACC caps will not count toward renewal funding.
- Senate bill would double set-aside funding to \$400m.
- NAHRO strongly supports this as it's becoming harder to forecast need from year to year and given the size of the account, small mis-projections may lead to large needs.

2026 FMRs Out



- Check them out on HUD's website.
- Effective Date: **Oct 1, 2025**, but you have 3 months to update your payment standards
- If you want to reevaluate your FMR, you must let HUD know that you want to do so by Oct. 1, 2025.
- **FMR Reevaluation might result in a higher FMR, which will result in a higher inflation factor and ultimately additional funding.**

New Process for RAD OCAFs



- HUD has created a process to update RAD OCAFs.
- To request an OCAF adjustment for a property, a request must be submitted through the RAD Resource Desk
- Requests related to PBVs require an additional form stating that the contract administrator is aware that the owner is requesting an alternative OCAF
- If the property is found to have “an extraordinary circumstance justifying an exception HUD will offer a new OCAF based on available administrative data.”

New Process for RAD OCAFs



- An owner may decline the alternative OCAF and opt to “. . . Provide detailed information for the Office of Recapitalization to complete an in-depth project-specific analysis, which will take at least six months to complete.”
- The new rent as changed by the alternative OCAF will set the new baseline that will be adjust throughout the term of the current HAP contract.

NSPIRE for Vouchers

February 1, 2027

HUD will be updating NSPIRE standards;
If you have thoughts, please let me know

New Rules



- **Mixed Status Families Rule**

- PHAs received letter requesting information on mixed status families
- HUD OIG started investigations

- **Term limits and Work Requirements Rule**

- Discretionary for PHAs to apply
- Should exclude

2025 Voucher Funding



- HAP Proration – 100%
- Admin. Fee Proration – 90%
- Offset - \$296 million
- HCV Funding Notice – PIH 2025-13 titled “Implementation of the Federal Fiscal Year (FFY) 2025 Funding Provisions of the Housing Choice Voucher Program”
- Currently 600m to 700m shortfall

2025 Voucher Funding

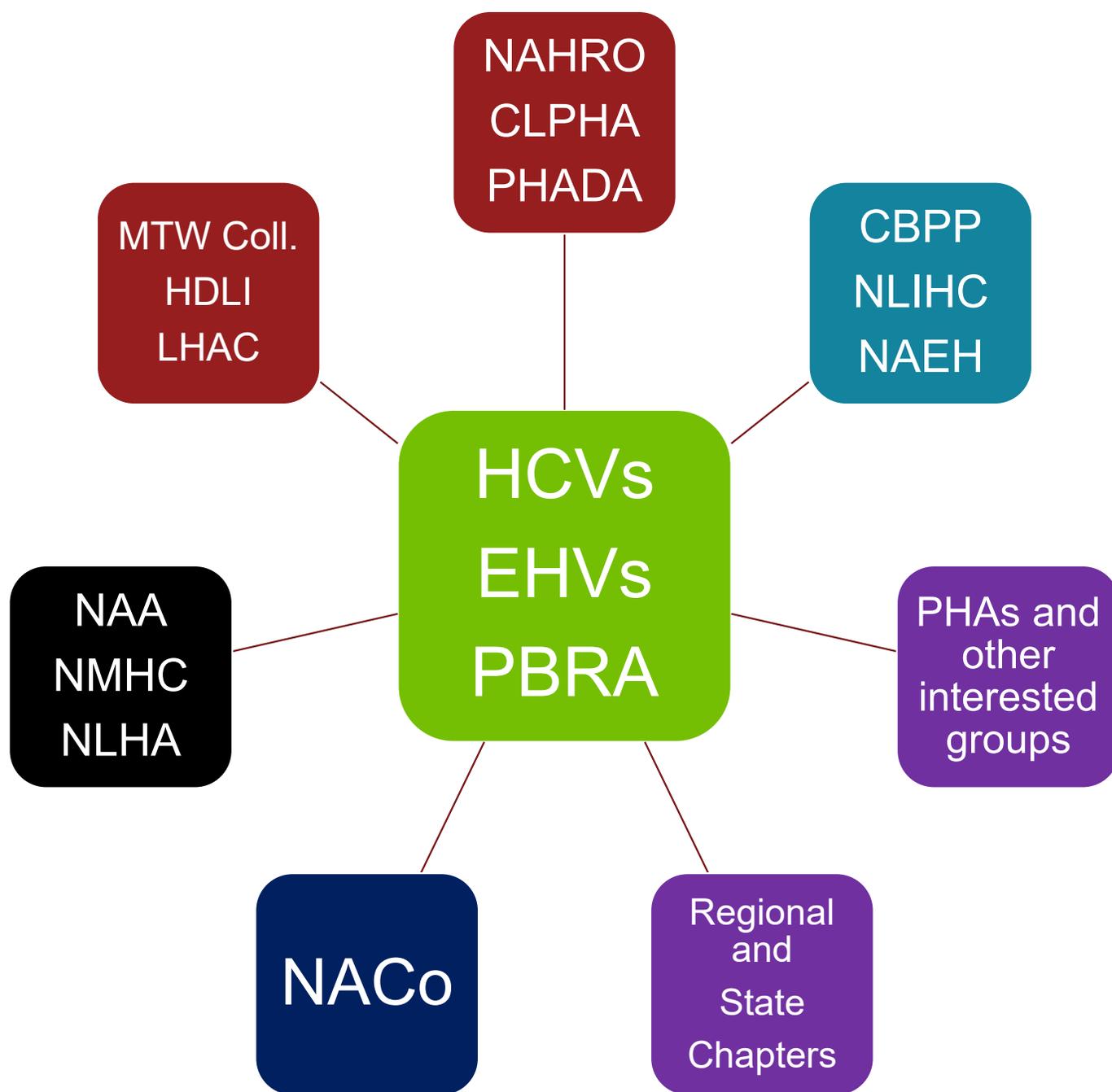


- HUD sent letter to PHA Executive Directors advising them to be careful with their HCV program budget
- PHAs will receive full eligibility, but “a sizeable number of [of PHAs] may experience HCV funding shortfalls in 2025”
- PHAs are advised to carefully review funding they have received and their projected HCV costs (**use the two-year tool**)

EHV Transition Guidance



- **Notice PIH 2025-19** – “Guidance on Transitioning EHV Families in HCV and End of EHV Services Fee Expenditure”
- Stop spending service fees (60 days after publication)
- Streamlined waiver review process to place all EHV’s on HCV waiting list instead of one by one
- Other waivers or alternative requirements: criminal screening, income eligibility and targeting, social security and citizenship verification; and payment standards and rent reasonableness



HCV / EHV / PBRA Funding Letter

786 Organizations

All 50 states and one federal district

5 Regional Organizations

70 National Organizations

Actions to Address Shortfall



What Happens if Shortfall is Projected?

- PHAs must take reasonable cost saving measures
- PHA will be contacted by HUD's Shortfall Prevention Team (SPT)
- SPT will provide notice will steps PHAs must take to address shortfall.
- These include:
 - Suspend issuance of vouchers (with exceptions)
 - Cease absorption of vouchers
 - Implement any other cost saving measures
 - Apply for shortfall funding



Exceptions to Suspending Voucher Issuance

- Vouchers issued to current tenant-based HCV participants to allow for moves
- Instances when the PHA is leasing under the baseline level of units for HUD-VASH vouchers
- TPVs issued to program applicants or special purpose voucher increments awarded in CY24 or CY25
- Stability vouchers awarded in CY23 that have never been leased
- Moves into PBV to meet contractual PBV obligations (including units placed into HAP contracts for the first time)
- Litigation Vouchers
- Vouchers awarded under the Community Choice Demonstration

Factors SPT Considers When Determining Potential Shortfall

- Key resource data:
 - HUD-held reserve & RNP as of Dec 31, 2024
 - Actual Renewal Annual Budget Authority (ABA) for 2025
 - SPV, TPV, HAP Set-aside funding
- Key expense data:
 - Projected unit months leased and attrition
 - Per-unit cost (PUC) Planned additions/reductions to leasing
 - Vouchers issued or planned under exceptions

What Is Shortfall Funding?

- Set-aside funding can be used to provide additional funds to address shortfall
 - Congress provided \$200m in FY25
- HUD may also fund shortfall in whole or in part with an offset
- An offset allows HUD to use HAP reserves to reduce the proration of renewal funding allocations
- HUD can use this offset to provide additional funding to shortfall agencies.



Offset Protections

- For 2025, HUD program reserve offset protections:
- 12% of PHA's renewal eligibility for PHAs administering 250 vouchers or fewer
- 6% for 250 to 499 vouchers
- 4% for 500 or more vouchers
- Deeper offsets than other years to address shortfall projections



PIH 2025-13

- Implementation of the FFY 2025 Funding Provisions for the Housing Choice Voucher Program
- Includes shortfall changes from prior years funding provisions:
 - Offset protections
 - Carryover amounts
 - HAP Set-aside shortfall Funding Requirements
- Appendix B: Shortfall Funding Availability, Shortfall Policies, Application Process, and Calculation of HUD-Confirmed Shortfall

Questions to Ask

- Will new vouchers continue to be issued to new applicants?
- Will your PHA absorb new incoming ports?
- Has your utility allowance schedule been reviewed and updated in compliance with regulations?
- Is your payment standard adequate?
- Is your rent reasonableness process being followed and closely monitored?



Questions to Ask

- Do you have zero income families and do you have a periodic review of circumstances that is being followed?
- Are staff using EIV and taking appropriate actions to respond to fraud and ensure families with repayment plans are in compliance?



Actions to Address Shortfall

- Notice PIH 2011-28 (HA) – *Cost Saving Measures in the Housing Choice Voucher Program*
- Potential update to notice at some point in 2025
- **Should be coming out in the next few weeks (assuming short shutdown)**



Cost-Saving Actions

- Family Income Matching/Verification and Other Anti-Fraud Efforts
 - PHAs should notify families that enforcement action could be taken where underreporting of income is discovered
 - PHAs should determine which actions lead to a repayment agreement and which should lead to termination
- Ensuring Accurate Utility Allowances
 - PHA may review utility allowances more than annually to determine if they are too high
 - Changes in utility allowances may be implemented immediately, but not later than the next regularly scheduled reexamination of family income

Cost-Saving Actions

- Ensuring Reasonable Rents
 - PHAs do not have to wait until the HAP contract anniversary date to review owner rents and reduce them if warranted
 - PHA should ensure that owner rents do not exceed amounts charged for unassisted units in the same building complex
 - Any leasing promotions for unassisted tenants should be considered
 - PHA must provide written notice to owners before reducing rents
 - May occur as early as the first of the following month
 - Owner must reduce rent or the contract is terminated
 - PHAs may not freeze rent if an owner requests an increase and it is reasonable

Cost-Saving Actions

- Portability Absorption
 - A receiving PHA can always immediately stop absorbing new portable families and elect to bill the initial PHA as a cost-savings measure
 - An initial PHA may also request that a receiving PHA absorb portable families for which the PHA is being billed
 - Includes retroactively absorbing families for which the initial PHA was already billed and made payments.
 - Both receiving PHA and initial PHA must agree to this arrangement
 - Families **must** be placed under a HAP contract for a new unit in the receiving PHA before the family is absorbed

Cost-Saving Actions

- Portability and Moves within the PHA Jurisdiction
 - A PHA may deny a family permission to move if the PHA does not have sufficient funding for continued assistance.
 - A PHA **must** notify their field office before denying moves
 - Includes both portability moves and moves to a higher cost area in the PHAs jurisdiction
 - PHA must demonstrate that there are insufficient funds to pay higher subsidy without having to terminate assistance of current participants
 - If insufficient funding, PHA does not need regulatory waiver
 - PHA cannot deny move if move is involuntary (HQS violations, owner re-occupancy of unit)
 - PHA cannot deny moves if move would reduce family subsidy to PHA
 - PHAs must contact the receiving PHA to confirm the PHA will not absorb the family and the HAP costs would be higher

Cost-Saving Actions

- Minimum Rent
 - The PHA may increase the minimum rent to \$50
 - PHAs could institute increases to minimum rent that go into effect immediately
- Voucher Issuance
 - The PHA may stop issuing vouchers to new applicants and consider pulling back outstanding vouchers for applicants searching for housing

Cost-Saving Actions

- Subsidy Standards
 - PHA may revise subsidy standards that exceed minimum HUD requirements to reduce bedroom size eligibility
 - Subsidy standards must still be consistent with HQS space requirements
 - Dwelling units must have at least one bedroom or sleeping area per two persons
 - Children of the opposite sex, other than the very young, cannot be required to share rooms
 - If a family leases a unit larger than the size of the voucher, the PHA must ensure the tenant share is based on the lower of the voucher unit size which the family is eligible

Cost-Saving Actions

- Utility Allowances
 - PHAs must use the appropriate utility allowance for the size of the dwelling unit leased, not family size as determined under the subsidy standards
 - A PHA may request a waiver to apply utility allowances for the bedroom size for which the family was eligible under the PHA's subsidy standards
 - However, if more than one cost-savings waiver is requested, the PHA must demonstrate how both/all waivers are necessary to avoid a shortfall that would result in the termination of families.

Cost-Saving Actions

- Payment Standards
 - A PHA may opt to lower payment standards for all or some unit sizes
 - Decreased payment standards are not applied until the second regular reexamination after the payment standard is lowered
 - Applies immediately for new admissions, all movers, and families with new HAP contracts
 - PHAs may request a regulatory waiver for lower payment standards to apply immediately with notice to the family if required
 - Waiver requests should include the calculation used to arrive at the projected shortfall and cost-saving measures already implemented

Cost-Saving Actions

- Payment Standards
 - PHA requests for payment standards below 90% of FMR may be approved by HUD field office
 - Can also waive requirement that HUD will not approve waiver if 40% or more of all voucher holders are paying more than 30% of income on rent
 - HUD will take into account the PHA's current rent burden and impact of the proposed change on program participants
 - HUD may require agency to immediate increase payment standards once PHA receives additional funding

PHA Plan Requirements

- Determine whether cost-saving measures will require a significant amendment to your PHA Plan
- Not all cost-saving measures constitute a significant amendment
 - Determination should be made by PHA

Termination of Assistance Due to Insufficient Funding

- PHAs may terminate HAP contracts if funding is insufficient to support continued assistance for families in the program
- A PHA must take into consideration **all** of its available budget authority
 - Unspent prior year HAP and PHA's Net Restricted Assets Account
- A PHA must ensure it has considered all cost-saving measures and the impact of terminations on residents
- PHAs are encouraged to utilize alternative sources of unrestricted non-Federal funding, if available

Termination of Assistance Due to Insufficient Funding

- PHA must notify the field director and its financial analyst at the Financial Management Center (FMC) prior to issuing notices of termination
- The notice must be in writing and include all measures taken to reduce shortfall
- PHA termination policies due to insufficient funding should be included in the Administrative Plan
- Policies should describe how the PHA will determine which HAP contracts will be terminated
- Any PHA policy with respect to resuming assistance for the impacted family must also be included in the Administrative Plan

Shortfall Funding Availability

- Appropriations bill often include HCV HAP Set-asides (\$200 million in FY25)
- HCV HAP Set-asides can be used for certain purposes includes shortfall funding
- Shortfall funding can be provided when a PHA would need to terminate families despite taking reasonable cost savings measures
- Carryover allowed from 2024 Appropriations Act for:
 - TPVs
 - Administrative Fees
 - HUD-VASH
 - Family Unification Program (FUP)

Shortfall Funding Availability

- PHA must take HUD-determined cost savings measures to qualify
- Upon SPT notification of projected shortfall, PHA must:
 - Suspend voucher issuance (with specific exceptions)
 - Stop absorbing portable vouchers (unless SPT says otherwise)
 - Implement cost savings measures in Action Plan on time
 - Apply for shortfall funding by SPT deadline

Voucher Issuance Exclusions

- PHAs may continue to issue vouchers in these cases:
 - Moves by current HCV participants
 - HUD-VASH leasing up to baseline, including turnover
 - TPVs or special-purpose vouchers awarded in CY 2024 or 2025 (e.g., FUP, FYI) Stability vouchers awarded in CY 2023 not yet leased
 - PBV applicants to meet contractual obligations (new and existing PBV units, RAD projects, Faircloth to RAD)
 - Litigation Vouchers (case-by-case HUD approval)
 - Community Choice Demonstration vouchers
- HUD may approve additional exceptions individually

Additional Leasing Restrictions

- PHAs must:
 - Not issue vouchers for families outside exceptions
 - Not execute new Agreement to enter into HAP (AHAP) or selection notices unless started before shortfall confirmation
 - Only provide PBV families a voucher when truly available (per Admin Plan)
- HUD may:
 - Suspend leasing further
 - Require rescinding issued vouchers (only if HUD instructs)
 - Impose admin fee sanctions for noncompliance
 - Require PHAs to cover unallowable new admissions' HAP costs

Ongoing Monitoring & Corrective Action

- PHAs must work with SPT throughout year to:
 - Monitor finances
 - Implement Action Plan cost savings
- PHAs should stay in contact with SPT even if:
 - Receiving HAP Set-aside funds
 - Initially not qualifying but relying on attrition
- SPT may advise against resuming leasing until CY 2026 budget is final
- Repeat shortfall PHAs may face corrective action

Shortfall Application Process

- PHAs must:
 - Work with SPT at application time
 - Comply with Action Plan
 - Complete Appendix C (HCV) or Appendix K (Mainstream) via DocuSign (PIH 2025-13)
- SPT will:
 - Review leasing and expense data
 - Use HCV Two-Year Projection Tool (TYT)
 - Compare resources vs projected HAP expenses
- PHA's with year-end balances of \$0 or above **will not** be considered shortfall PHAs or eligible to receive shortfall funds

Eric Oberdorfer
**Director of Policy and
Legislative Affairs**
eoberdorfer@nahro.org

Tushar Gurjal
Senior Policy Manager
tgurjal@nahro.org

Steven Molinari
Policy Analyst
smolinari@nahro.org

Gabriel Smith
**Legislative Affairs
Manager**
gsmith@nahro.org

Andrew Van Horn
**Policy and Research
Advisor**
avanhorn@nahro.org

Richa Goel
Data Analyst
rgoel@nahro.org

Project- Based Rental Assistance

➤ 2 million people live in PBRA units

➤ 1.32 million PBRA households under ACC

➤ Funding (in millions)

FY 24 Enacted: \$16,010

FY25 CR Anomaly: \$480 (\$893 requested)

FY26 House: \$17,127

FY26 Senate: 17,800

HOTMA for PBRA



- **Notice H-2025-03**
- **January 1, 2026:** mandatory compliance date for HOTMA 102 and 104
- Does not apply to PIH programs

Choice Neighborhoods Funding

FY 24 Enacted	FY 25 Enacted	FY26 President	FY26 House	FY26 Senate
\$75	\$75	\$0	\$0	\$40
<i>IN MILLIONS</i>				

Self Sufficiency Funding

Self Sufficiency Programs	FY 24 Enacted	FY 25 Enacted	FY26 President	FY26 House	FY26 Senate
FSS	\$141	\$141	\$0	\$125	\$156
ROSS	\$40	\$40	\$0	\$35	\$45
Jobs Plus	\$15	\$15	\$0	\$15	\$10
					<i>IN MILLIONS</i>

Community Development



➤ President's Budget not friendly to CD programs

➤ House FY26 Bill: Provides no funding to HOME

➤ Consolidated/Action Plans are being submitted, all initial plans due by **August 16, 2025**

➤ NAHRO submit a Joint Letter to HUD on guidance for grantees

➤ HOME Congressional Hearing: NAHRO submit testimony

➤ Congress Releases HOME Reform Act of 2025

Community Development Funding

CPD Programs	FY 24 Enacted	FY 25 Enacted	FY26 President	FY26 House	FY26 Senate
Homeless Assistance Grants	\$4,051	\$4,051	\$4,024	\$4,158	\$4,530
CDBG	\$3,300	\$3,300	\$0	\$3,300	\$3,100
HOME	\$1,250	\$1,250	\$0	\$0	\$1,250

IN MILLIONS

AUGUST ADVOCACY



2025



5,087
Advocates

68,900
Letters

87%
Contacted

**461 Members of
Congress contacted**

1. Oppose Cuts to Housing and Community Development

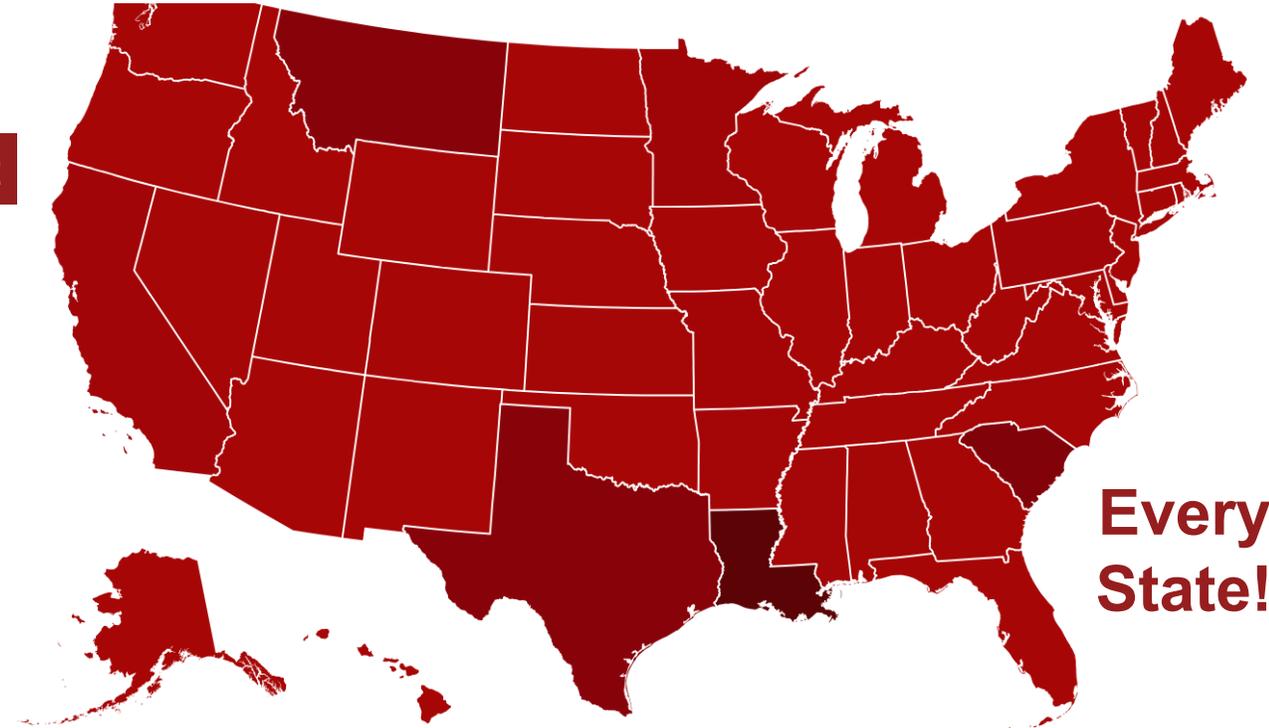
**2. Protect Local Redevelopment Solutions and
Increase Housing Supply**

3. Preserve and Improve Voucher Funding

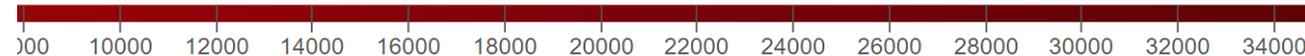
4. Support Local Economies through Housing and CD

5. Preserve Public Housing for the Future

**6. Solve Homelessness with Housing and
Support Services**



**Every
State!**



Regional Snapshot: NCRC



460 ADVOCATES

83 OFFICIALS
CONTACTED

14,470 LETTERS

67 of 77 Representatives

16 of 16 Senators

35 of 40 Democrats

48 of 53 Republicans

AUGUST ADVOCACY



2025



42
Advocates

590
Letters

100%
Contacted

**15 Members of
Congress contacted**

1. Oppose Cuts to Housing and Community Development

2. Protect Local Redevelopment Solutions and Increase Housing Supply

3. Preserve and Improve Voucher Funding

4. Support Local Economies through Housing and CD

5. Preserve Public Housing for the Future

6. Solve Homelessness with Housing and Support Services



Secure Homes, Strong Communities



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the report!*



Secure Homes, Strong Communities

A 360 Degree View of
America's Housing
and Community
Development Programs

2025
Edition

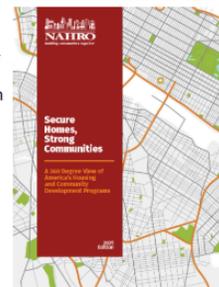
www.nahro.org/360

NAHRO Housing Data Dashboard (2025)



Secure Homes, Strong Communities: A 360 Degree View of America's Housing and Community Development Programs is NAHRO's annual research report focusing on America's housing and community development programs. The "360 Report" compiles data that focuses on the programs NAHRO members work most closely with, shapes NAHRO's future legislative and regulatory asks, and highlights trends in these programs for the media, Congress, and other stakeholders.

Click on the cover to view the report!



Housing
Choice
Voucher

Public
Housing

Rental
Assistance
Demonstration

Homelessness

Low-Income
Housing Tax
Credit

This dashboard presents data from the "360 Report" in an interactive format. Data is presented at the national level but can also be viewed at the state or territory level.

To view data on a specific topic, click on the corresponding topic button on the right. To browse all dashboard pages, click on the arrow(s) at the bottom of each page.



Explore the New Data Dashboard

Interactive State- and Territory-Level Housing Data



NAHRO Housing Data Dashboard

- An interactive dashboard that presents data on housing and community development programs at a state and territory level
 - The graphs, tables, and other numbers in the dashboard will change to represent the state selected.
 - Allows for more targeted data-driven advocacy
 - A snapshot of different programs in each state and territory
 - Provides quick access to various data points

#SummerSymposium25

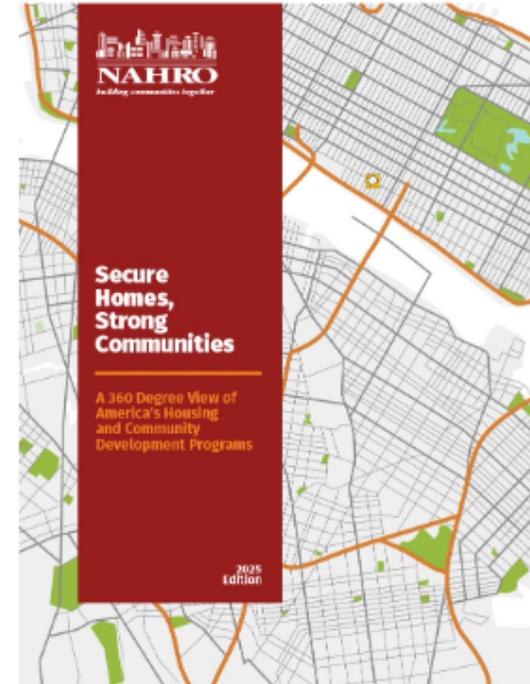


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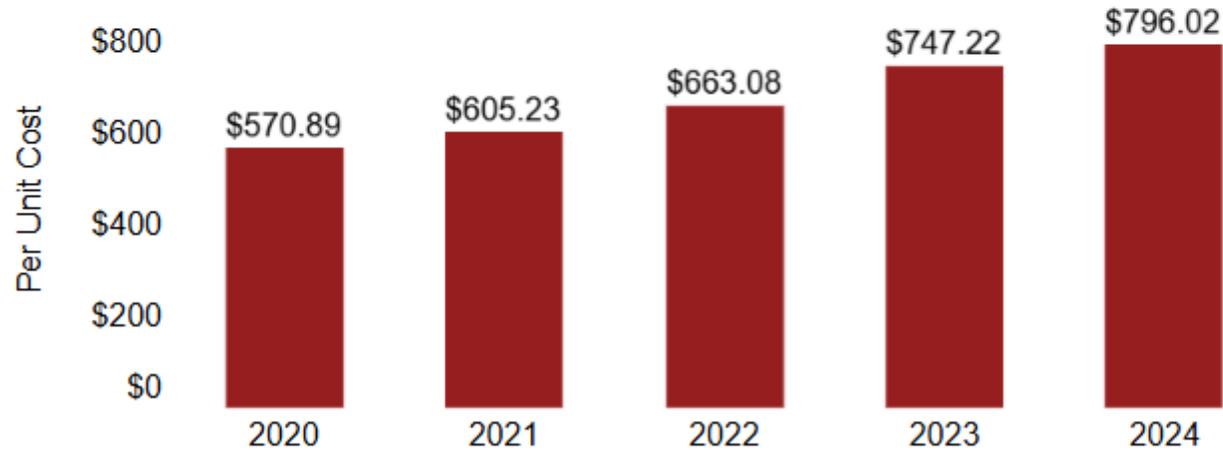
Housing Choice Voucher



Per Unit Cost (2020 - 2024)

State

MI



*HCV Data
Continues on
the Next Page

Special Purpose Voucher Unit Utilization

Budget Utilization	Unit Utilization	HUD-VASH	Mainstream	Family Unification Program	Non-Elderly Disabled
98.86%	85.27%	87.48%	90.90%	86.10%	104.80%



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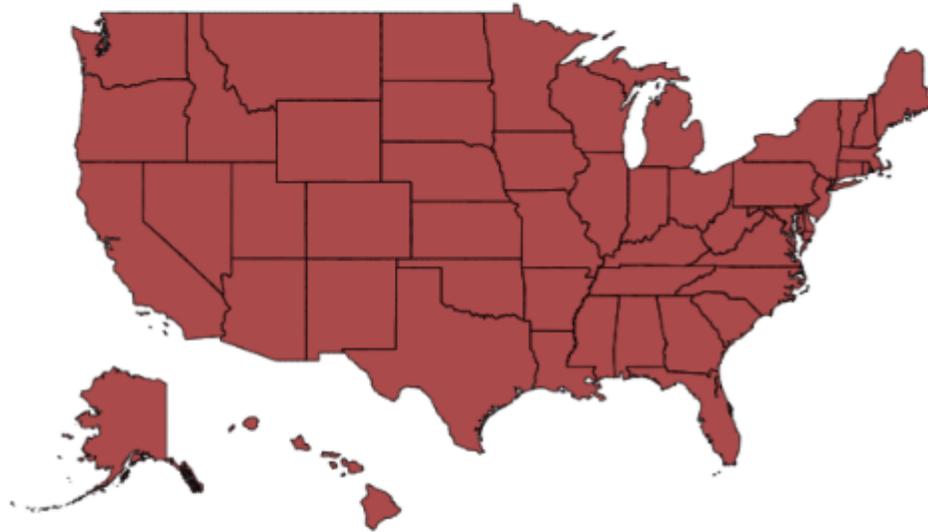


View on Tableau Public

| Share

Download the [2025 Housing Data Dashboard Dictionary](#)

Public Housing



ACC Units

17,414

Families Served

15,220

Avg. Household Income

\$17,258

State

MI

Children

9,189

% Households with Children

27%

% Households with an Elderly Head or Spouse

44%

% of Households with a Member with a Disability

30%



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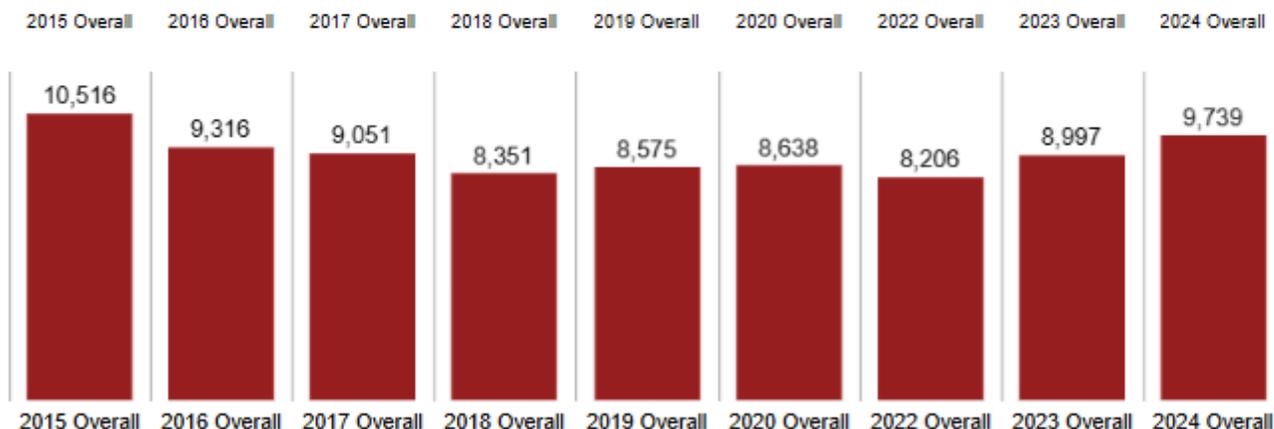
Homelessness



Number of People Experiencing Homelessness

State

MI



*Click on bars to expand

Click to Reset View

*2021 data omitted due to pandemic-related disruptions to counts

% Veterans 5%	% Unsheltered 17%	% Sheltered 83%	% Individuals 60%	% People in Families 40%	% Change (2023 to 2024) 8%
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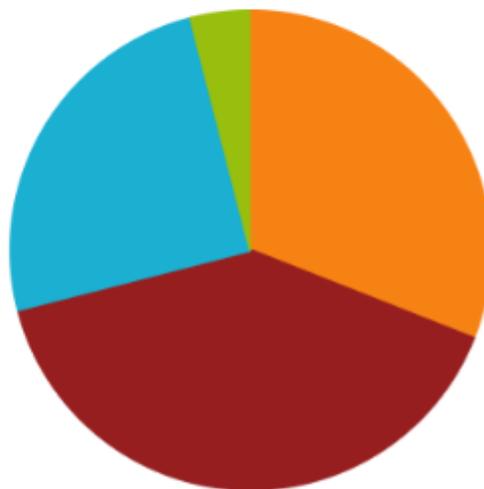
Low-Income Housing Tax Credit



LIHTC Credits

State

MI



- % of Developments Using a 4% Credit
- % of Developments Using a 9% Credit
- % of Developments Using Both Credits
- % of Developments Using TCEP

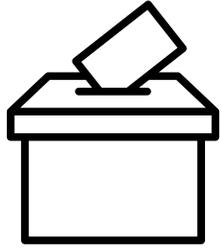
Number of Developments	Number of Units	% New Construction	% Rehabilitation	% Both
1,662	106,492	52%	45%	2%

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Welcome to Washington





What's Going on in Washington

The Republican Supermajority in Washington Tested

- **2024 Election secured House, Senate and White House control for Republicans.**
- **Budget Reconciliation Passes (OBBBA)**
- **FY 26 Appropriations Underway (Shutdown? CR?)**
- **2026 Midterm will serve as a referendum on Republican's time in power.**



HOW DO ELECTIONS IMPACT NAHRO AND OUR MEMBERS?

- NAHRO is *non-partisan*; we work with everyone to support housing.
- Relationship building with a new Congress and a new Administration.

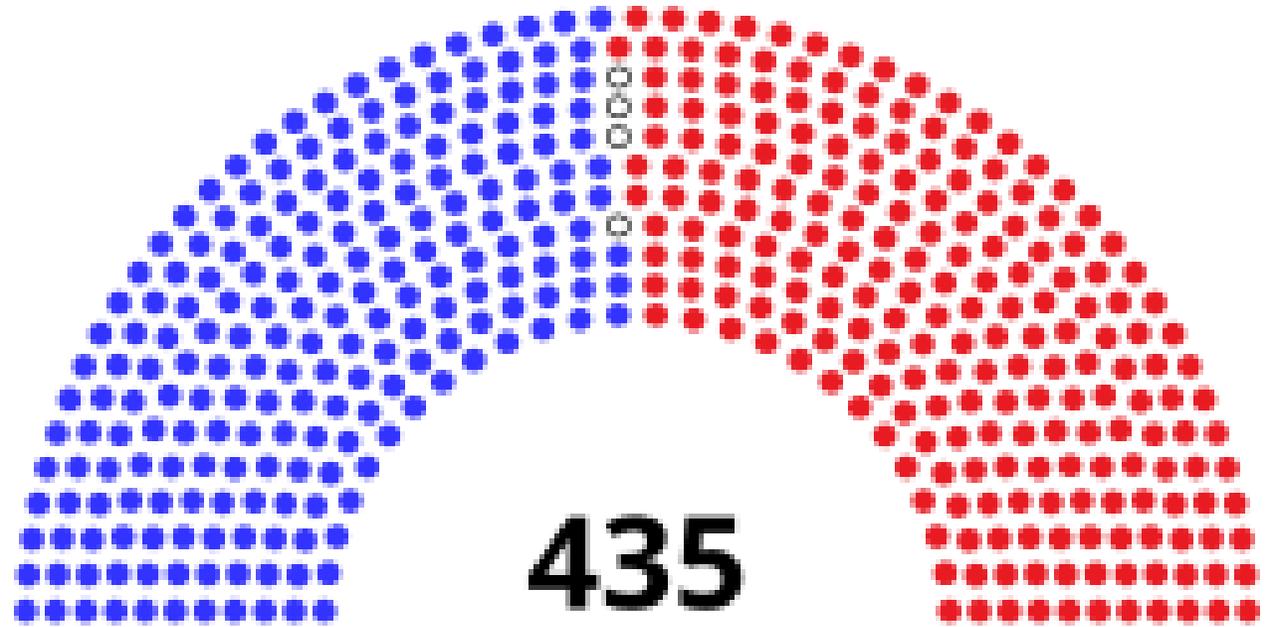


Secretary Turner

- **Was on Capitol Hill to defend President Trump's FY 26 budget**
- **Proposed a 51% Cut to HUD
Elimination of HOME and CDBG
Reduced Staff by nearly 25%**
- **Blames stewardship at HUD and PHAs for not maximizing past budgets
Focusing HUD on maximizing funds**
- **Consistent Messaging with critics of Affordable Housing in Congress**

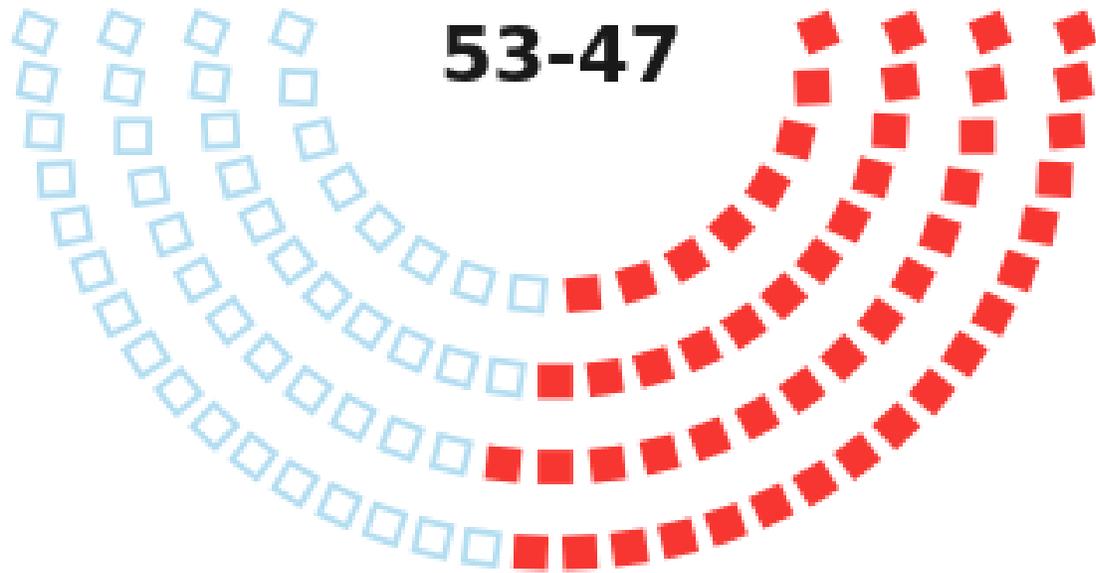
THE 119th SESSION OF CONGRESS

U.S. HOUSE: 219 – 213 (4 Vacancies)



THE 119th SESSION OF CONGRESS

U.S. SENATE: **53** - **47**





The Appropriations Process Kicked off with Pres. Trump's Budget Proposal

- Released Skinny Budget then "full" budget later
- House and Senate THUD Subcommittee released their bills in July

Congress passed a FY 25 Continuing Resolution

- Maintains Level Funding for Housing and CD Programs
- Anomalies increased HAP account

Republicans in Congress passed OBBBA

- Signed into law on July 4th
- Divided Republicans on Healthcare, Taxes, Raising the Debt

President Trump has signed

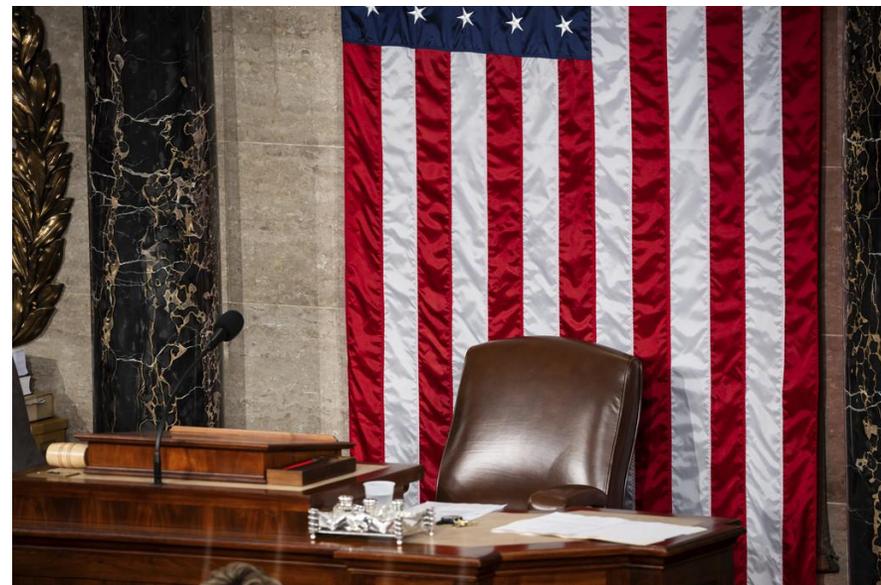
- 165 Executive Orders (historic high)
- 6 Bills (historic low)

So....how's it going?

Political Realities

Republicans are on the clock

- 2 Year Terms in the House
- Midterm Backlash
- Campaign Season is Coming
- End of FY 2025 Fast Approaching

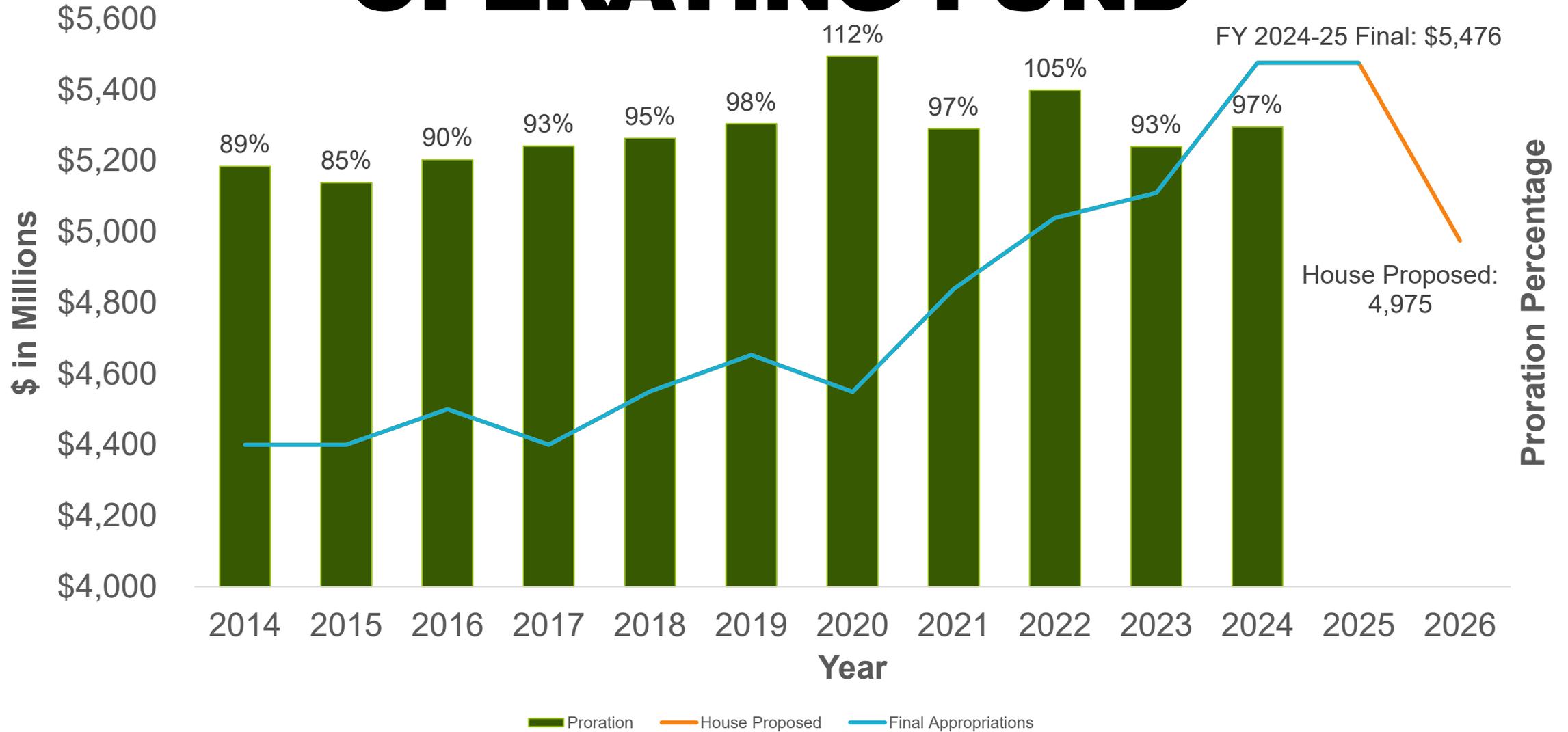


Political Realities for Housing

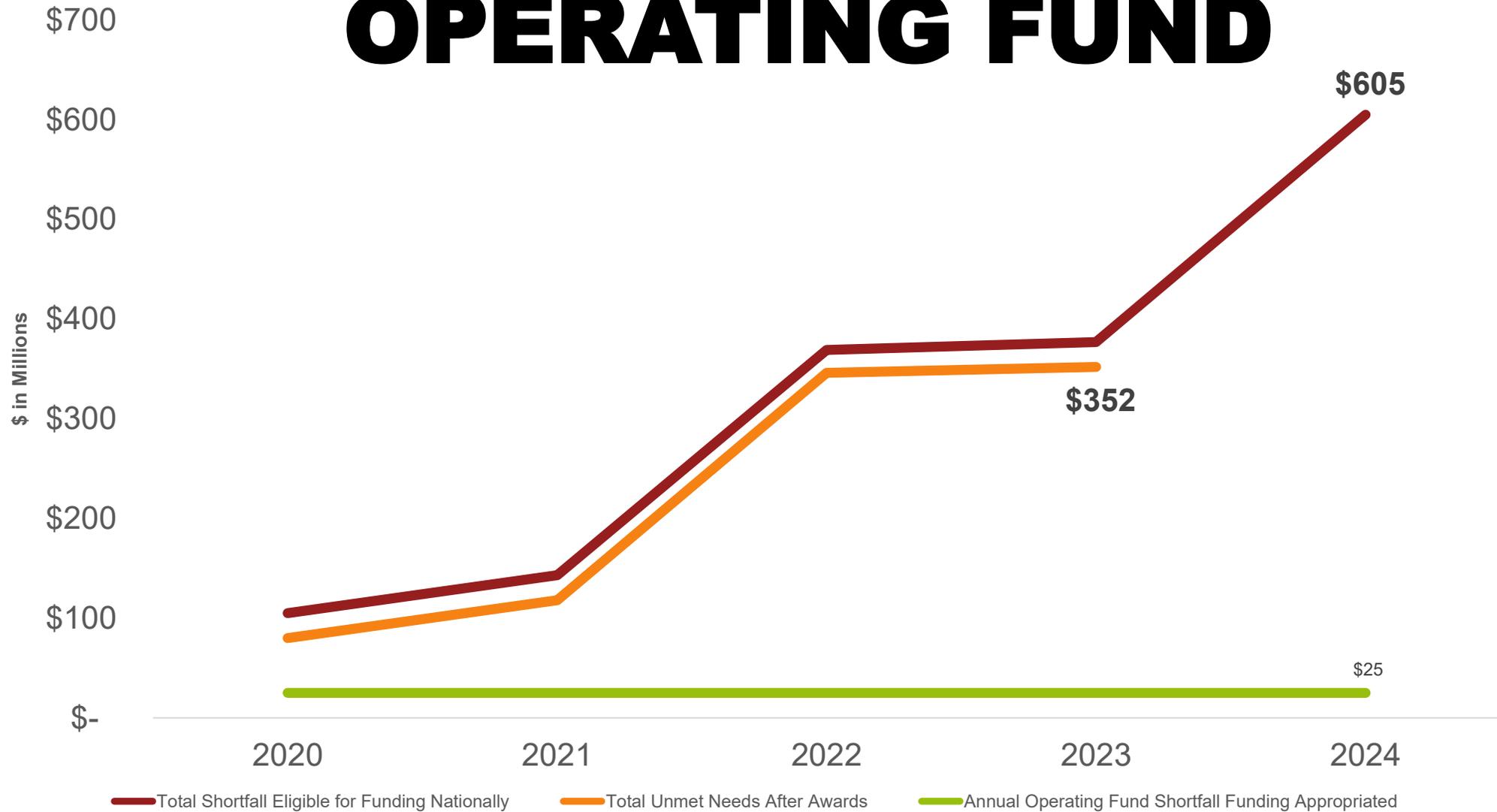
- Continuing Resolutions maintain level funding
- Tariffs policy
- Staffing cuts
- An administration opposed to new funding
- Proposed legislation



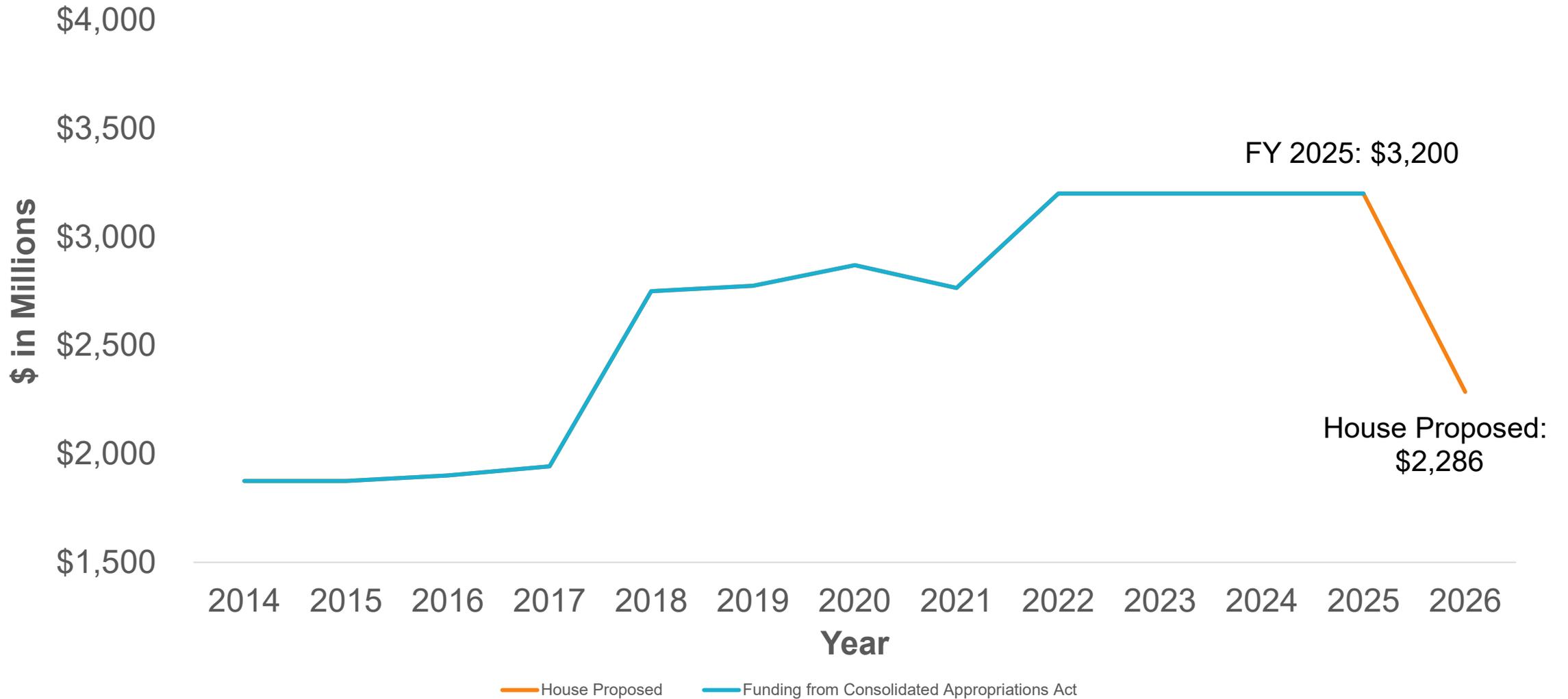
OPERATING FUND



OPERATING FUND



CAPITAL FUND



Public Housing

Program (in millions)	FY 23 Enacted	FY 24 Enacted	FY 25 Enacted	FY 26 President	FY 26 House	FY26 Senate
Operating Fund	\$5,109	\$5,476	\$5,476	--	\$4,975	\$4,873
Operating Fund Shortfall	\$25	\$25	\$25	--	\$25	\$214
Capital Fund Formula	\$3,200	\$3,200	\$3,200	--	\$2,286	3,200
Emergency Capital Needs	\$30	\$30	\$30	--	\$30	\$30
Housing Health Hazards	\$65	\$65	\$65	--	--	\$65

House Bill Policy Provisions



- SEC. 233: Process requirements for any ACC
- SEC. 238: Defund 30-Day Rule
- SEC. 239: Provision to allow HUD to develop a program to allow PHAs to create requirements around “total tenant payments, tenant rental payments, and housing assistance amounts”
 - HUD would not be able to rescind this custom payment/rent structure for at least 7 years
 - Would apply to PH and the HCV program
- SEC. 240: Public Housing, Operating, and Capital Funds fungible unless troubled and if units safe and sanitary

Senate Bill Policy Provisions



- SEC. 233: Process requirements for any ACC – at least 60 days to comment

Operating Fund Updates



- **PIH Notice 2025-20**: SF-425 Guidance
 - Adds a requirement to **return unspent operating funds to HUD at the end of the program term**
 - Adds order of expenditures PHAs must use to pay for operating expenses
 - Must submit SF-425 in the Public Housing Portal every year for every individual grant received
 - PHAs must explain if their cash on hand is greater than the amount they will spend within three days of a form submission.
 - PHAs must liquidate all obligations by April 30 following the end of a program term; and
 - PHAs must retain records and are subject to enforcement actions.

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630 I Street NW Washington DC 20001
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