

FEDERAL BUDGET APPROPRIATIONS



MAY 2025

HOUSING

On May 2, 2025, the Administration released a “skinny” budget request that would decimate vital affordable housing, homelessness, and community development funding for Federal Fiscal Year (FFY) 2026. In total, the “skinny” request foreshadows a full request that will aim to slash U.S. Department of Housing and Urban Development (HUD) spending by 44% from FFY 2025, including a proposal that would result in an **unprecedented 43% cut** to HUD’s rental assistance programs.

Housing Choice Voucher (HCV)

The “skinny” budget proposes to slash **\$26.72 billion** from HUD’s rental assistance programs – including HCVs, Public Housing, and Project-Based Rental Assistance (PBRA) and combine as a block grant under one program, a State Rental Assistance Block Grant. The proposal would also impose a **two-year time limit** on receiving rental assistance for able-bodied adults. **The Los Angeles County Development Authority (LACDA) encourages Congress to fully fund renewals for all existing HCVs.**



After serving three tours of duty in Iraq, Alberto returned home only to battle homelessness. He connected with the Department of Veterans Affairs where he was able to enroll in a vocational work program and apply for subsidized housing. Today, he focuses on paying it forward taking a leadership role in veteran support groups. “Veterans want to come home and get housed when we fall on hard times. We don’t want a hand out, we just want a hand up.”

-Alberto, LACDA Voucher Holder

Operating and Capital Funds

Public Housing receives the lowest funding per unit of any HUD rental assistance programs, despite serving the same low-income populations. The Public Housing Program requires urgent attention due to chronic underfunding and a significant backlog in capital needs. To maintain and preserve public housing units, which provide homes to over 1.6 million people in 886,235 units nationwide (37% of which are headed by seniors and 34% of which house children), **\$5 billion is needed to address the capital needs backlog**, which continues to grow and is estimated to be more than \$70 billion.

Congress has averaged just \$25 million annually for public housing operations—far below what’s needed—putting many agencies at financial risk. The LACDA urges **full funding**, and a review of flaws in the funding formula due to rising inflation and insurance costs.



Ms. Garcia's last apartment building burned down. Unable to afford to relocate and pay market-rate rent, she became homeless living in her car with her three children while trying to maintain employment. Ms. Garcia applied for public housing and the family moved in to the County’s South Scattered Sites to begin rebuilding their lives.

Emergency Housing Vouchers (EHV)

The EHV Program, created under the 2021 American Rescue Plan, provided **\$5 billion for 60,000 rental vouchers** for people facing or at risk of homelessness, including survivors of intimate partner violence. Originally funded through 2030, rising rents have accelerated spending, and HUD now projects the **funds will run out by 2026**. The LACDA urges Congress to **fully fund EHV renewals**.

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COMMUNITY DEVELOPMENT

The “skinny” budget also calls for eliminating vital programs, such as the HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Low Income Home Energy Assistance Program (LIHEAP), and Fair Housing which provide critical resources to communities across the country. Eliminating these programs would make it more difficult for communities to provide critical services and adapt to local needs.

Community Development Block Grant

The CDBG Program provides flexible funding for activities benefiting low- to moderate-income individuals, supporting public services, housing, and economic development. Funding for CDBG must be preserved to help create thriving communities. **\$4.2 billion** is needed to expand economic opportunities and improve quality of life for low- and moderate-income persons through an array of social services and infrastructure improvements.

Every dollar of CDBG invested leverages \$3.64 from other public and private sources.



“I’m blind and I got handrails in the back to help me go up and down the stairs. I got a shower and feel safe when I’m here alone. It was wonderful!”

- Jean, Senior Grant Program Recipient

HOME Investment Partnerships

The HOME Program provides formula grants that communities use to fund activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership. HOME is the largest Federal block grant designed exclusively to create affordable housing for low-income households. 1.3 million units nationwide were built or preserved with HOME funding since 1992. **\$2 billion** is needed to increase the production of affordable housing through the acquisition, new construction, and rehabilitation of affordable housing units for sale or rent.

"I lived on the streets for three months and had a heart attack. I went to the hospital, and then one day my case worker called me and said I had been matched and gave me a set of keys. I'm just really appreciative of the situation that I'm in."

– Dennis, LACDA Affordable Housing Resident

Rental Assistance Demonstration (RAD)

RAD allows Public Housing Agencies (PHAs) to leverage public and private debt and equity in order to reinvest in their public housing stock. Through a RAD conversion, a property moves from its original public housing regulatory platform to the Project-Based Section 8 platform, which makes it easier for PHAs to borrow money and use other forms of financing to make improvements essential for preserving their affordable housing stock.

\$100 million is needed to support the conversion of public housing properties that are unable to do so using only the funds provided through existing appropriations and tenant rents.