



DEPARTMENT *of* HOUSING *and* URBAN DEVELOPMENT

The Budget cuts waste and strengthens accountability across the Department of Housing and Urban Development (HUD), including a new approach to reduce street homelessness, which otherwise has increased crime and disorder across communities. Overall, the Budget rightsizes the Federal role and eliminates the majority of HUD formula and competitive programs, which have proven ineffective and have funded woke and leftist organizations.

The Budget requests \$73.5 billion in discretionary budget authority for HUD for 2027, a \$10.7 billion or 13-percent decrease from the 2026 enacted level.

THE PRESIDENT'S 2027 BUDGET:

Investments

- **Sustainable Homeownership and Federal Housing Administration (FHA) Operations.** The Budget promotes homeownership opportunities for creditworthy borrowers, especially first-time homebuyers, through FHA and Ginnie Mae credit guarantees. FHA is focused on facilitating access to credit that is sustainable for borrowers, protects taxpayers, and does not displace private capital. The Budget includes \$160 million for FHA administrative costs to ensure loans are processed efficiently and risks are properly managed, helping more Americans access affordable, sustainable homeownership.
- **Program Integrity Initiative (+\$30 million).** The Budget includes \$30 million to fight fraud, waste, and abuse of Federal housing programs that have been allowed to proliferate under previous administrations. This funding would enhance the financial reporting, visibility, and oversight of recipients and sub-recipients of HUD assistance. This new investment would be used to prevent Federal rental assistance going to deceased tenants and ineligible non-citizens, including illegal aliens, and eliminate funding to entities that use funding to proselytize woke agendas.
- **Melania Trump Foster Youth to Independence Initiative (+\$5 million).** The Budget includes \$30 million to expand housing voucher assistance for youth transitioning out of foster care who are at risk of homelessness. This investment ensures stable housing for vulnerable young adults, which is critical to their long-term success and self-sufficiency.

Program Cuts and Eliminations

- **Community Development Block Grant (CDBG) (–\$3.3 billion).** For the sixth time, the Trump Administration’s Budget proposes to eliminate the CDBG program, which has funneled money to many ideological pet projects and failed to target funding to communities in need. The program has been used for many projects that the Federal Government should not be funding, such as improvement projects at a brewery, a concert plaza, and skateboard parks. For example:
 - The City of Chicago used CDBG to pay “Equity Officers”;
 - The City of Denver used an “equity lens” to evaluate “unintended consequences for historically marginalized communities”;
 - The State of Massachusetts required that CDBG projects comply with its “sustainable development principles,” which include “advance equity” and “promote diversity”; and
 - The Town of Greenwich in Connecticut’s famously affluent “Gold Coast” received nearly \$4 million in CDBG funding in the last five years and spent it on wasteful projects such as theater arts programming and swimming pool renovations.

- **HOME Investment Partnerships Program (–\$1.3 billion).** The Budget eliminates HOME, a formula grant that funnels money into a broken system without any clear positive outcomes. State and local governments are better positioned to comprehensively address the array of unique market challenges, local policies, and impediments that contribute to housing affordability problems. This program is yet another bloated Federal slush fund that pours billions of dollars into systems rife with red tape without necessarily reaching the people it is intended to serve. Eliminating HOME would ensure that no more taxpayer dollars fund projects with ideologically motivated energy efficiency requirements that drive up energy costs and devastate American consumers. Local residents would be put back in control of the housing in their communities, and out of the hands of Federal bureaucrats pushing a social engineering agenda. For example:
 - \$4.3 million in HOME funds were used for 42 rental units in Greenville, Mississippi that were “energy sustainable with green design features” and left almost half of the acres undeveloped to “preserve wetlands and attract native wildlife”;
 - \$500,000 in HOME funds were used for “Innovative Solar Technology” that incorporated renewable energy that allegedly reduced carbon emission in 50 units of rental housing in River Falls, Wisconsin; and
 - A 2018 audit found that Providence, Rhode Island, disregarded Federal requirements and spent nearly \$1.5 million of their HOME grant without proper documentation and adequate oversight.

- **Homeless Assistance Programs (–\$393 million).** At the end of the Biden Administration, HUD reported that street homelessness increased 20 percent since 2020, hitting the highest level ever recorded despite an over 50-percent increase in funding for the Continuum of Care (CoC) during the same period, and the Congress providing the highest levels of funding ever devoted to homelessness programs in 2024. Instead of continuing to spend billions of dollars on the failed and harmful policies promoted by the administratively burdensome CoC program and unaccountable CoC local boards, the Budget eliminates the program and provides \$4 billion for a more targeted Emergency Solutions Grant (ESG) program. ESG would provide emergency and transitional housing assistance, as well as supportive services to address mental health and substance abuse challenges, to homeless and at-risk individuals. Through this proposal, the Budget delivers on the Executive Order (E.O.) 14321, “Ending Crime and Disorder on America’s Streets.” Nonprofits serving the homeless should focus on the poorest and most vulnerable individuals. However, investigations across the Nation have uncovered fraud and corruption among the existing network of homeless service providers. For example:

- Despite both cities reporting historic levels of homelessness in 2024, recent investigations in San Francisco and New York City found that homeless service executives pay themselves generously, lining their pockets with hundreds of thousands of dollars while failing to deliver results for the people they have been funded to serve;
- The Los Angeles Housing Services Authority (LAHSA) is an example of the need to overhaul the unaccountable CoC system. LAHSA has an abysmal record of reducing what is the highest number of street homeless individuals in the United States, and an independent audit issued in March 2025 found that the authority failed to accurately track billions of Federal and local dollars; and
- “Housing First,” which the CoC program prioritized for years, has been a profound failure. More than a decade ago, advocates of “Housing First” argued that the approach would end all types of homelessness in 10 years. Far from ending homelessness as promised, overall homelessness has increased by 34 percent and chronic homelessness has increased by over 80 percent in just a decade.
- **Housing Opportunities for Persons with AIDS (HOPWA) (-\$529 million).** The Budget eliminates the HOPWA program, which is outdated by focusing on housing low-income, homeless, and at-risk HIV-positive individuals, as the prognosis and medical care for HIV have significantly improved since the 1990s. Individuals with HIV who are homeless or at risk of homelessness may be served under the Emergency Solutions Grant program. The Budget proposes to defund programs that award Federal dollars to organizations that peddle divisive, woke identity politics. For example:
 - In 2022, HUD awarded nearly \$500,000 in HOPWA funding to the Neighborhood Center in San Francisco, an identity-politics-driven nonprofit that prioritizes “culturally responsive” services and serves “non-English speaking newcomers” over focusing on self-sufficiency;
 - In 2023, HUD awarded \$1.5 million in HOPWA funding to the Maui AIDS Foundation, a radical nonprofit that hosts support groups for “young gay and bisexual men of color,” and supplies “safer sex kits,” including condoms and lubrication; and
 - In 2023, HUD awarded \$1.5 million in HOPWA funding to AIDS Foundation of Chicago, a far-left nonprofit that has embedded discriminatory “racial equity principles” in its hiring process.
- **Native American Programs and Native Hawaiian Housing Block Grant (-\$489 million).** The Budget eliminates the Native Hawaiian Housing Block Grant; Native Hawaiians are not a tribal nation but a racial group. The Budget streamlines housing assistance for Native Americans by focusing available resources on the main formula grant to Tribes. For instance:
 - Federal funding for tribal nations can be respectful of their sovereignty without inserting burdensome and expensive requirements in the name of “climate change.” Tribes such as the Navajo Nation should not be pressured into building homes that have to meet energy efficiency requirements.
- **Pathways to Removing Obstacles (PRO) Housing (-\$50 million).** Consistent with E.O. 14151, “Ending Radical and Wasteful Government Diversity, Equity, and Inclusion (DEI) Programs and Preferencing,” the Budget proposes to eliminate PRO Housing, a program that awarded competitive grants to States and local governments to ostensibly reduce barriers to affordable housing, but in reality, funded divisive DEI agendas. For example:
 - The PRO Housing program was used by the previous administration to fund projects such as Seattle’s “Legacy Homeowner Program,” that targeted “Black Indigenous People Of Color” residents “at risk of displacement”;
 - \$6.7 million to Los Angeles County to conduct an “Equity Audit” and reverse “land use patterns that have roots in systemically racist policies”;

- \$5 million to Bend, Oregon to develop a five-year housing production plan “centered on equity”;
 - \$3.8 million to Rhode Island to produce a “Healthy Equity Zones Housing Pilot”;
 - \$2.1 million to Milwaukee to rectify racial disparities in home ownership; and
 - \$4 million to Newark, New Jersey to expand its Equitable Investments program and provide opportunities for “Minority/Women-owned Business Enterprise developers and contractors.”
- **Fair Housing Activities (–\$60 million).** The Budget cuts discriminatory “fair housing” activities and focuses HUD on the Department’s statutory mandate to enforce the Fair Housing Act. The Budget eliminates the Fair Housing Initiatives Program (FHIP), which provides grants to woke nonprofits that promote radical equity policies and advocate against single family neighborhoods. The Budget also eliminates fair housing training and funding used to translate HUD materials to non-English languages. For example:
 - FHIP grants have funded partisan organizations such as the National Fair Housing Alliance and the Equal Rights Center, who deny the incontrovertible reality that there are two biological sexes, male and female, as directed in the President’s E.O. 14168, “Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government”;
 - Under the prior administration, FHIP Education and Outreach grants were used to support a “national media campaign...focus on advancing racial equity and access to housing opportunities, especially in underserved communities,” and in “geographic area[s] to work directly with populations of persons with Limited English Proficiency”; and
 - An audit in February 2024 found that FHIP organizations used their grants to promote equity, preferencing for example fair housing services for “Lesbian, Gay, Bisexual, Transgender, and Queer” populations or populations with limited English proficiency. The Budget no longer supports these radical left-leaning and wasteful programs.
 - **Housing Counseling (–\$58 million).** The Budget eliminates funding for Housing Counseling, which has not shown reduced delinquencies for counseled homebuyers and has supported grantees with divisive and DEI promoting agendas. For example:
 - Housing Counseling grants have funded organizations such as UnidosUS, which is “committed to showing all Americans what structural racism is,” rather than focusing on housing counseling activities;
 - Another woke grantee, the Fair Housing Advocates of Northern California, is “actively working to dismantle systems of power and privilege that favor whiteness” through “ten pillars of anti-racism”; and
 - The prior administration also awarded a grant to the National Community Reinvestment Coalition, which advances the radical view that “racial economic inequality has been foundational to the development of our country.” 🇺🇸