

Federal Changes to Housing



Overview

These federal actions aim to cut funding significantly to several core housing programs. The reductions are detailed in two federal budget initiatives: the Federal Budget Proposal and the Reconciliation Bill. This document outlines some of the potential impacts.

Federal Budget Proposal*				
Program Name	What It Does	Oregon Outcomes ¹	Amount Oregon Received in the Most Recently Reported Fiscal Year	Proposed Federal Action
Public Housing	Provides rental housing for low-income households and charges rent based on family gross income.	4,706 residents	\$28M	Consolidate and cut overall funding by 43%
Housing Vouchers and Assistance Payments	Helps low-income households in the private market. Participants choose any eligible housing for support. Encompasses every voucher type including but not limited to Section 8, 202, 811, etc.	37,313 families	\$433M	Consolidate and cut overall funding by 43%
Low-Income Home Energy Assistance	Provides funds to reduce costs associated with home energy bills and weatherization.	59,520 households	\$37M	Eliminated
HOME Investment Partnership	The largest federal block grant to state and local governments, designed to create affordable housing. Funds tenant-based rental assistance (TBRA) and gives funding to support state community housing development organizations. OHCS uses 24% of Oregon's HOME allocation for TBRA.	162 units built, 303 households served with rent assistance	\$10M	Eliminated
Emergency Solution Grants	Gives funding to states to aid the rehabilitation or conversion of buildings for use as emergency shelters, cover shelter operation costs, and provide essential services ranging from prevention and outreach to rapid re-housing.	17,777 clients	\$3M	Consolidate and cut overall funding by 12%
Continuum of Care	Provides funding for nonprofit providers, states, Tribes, and local governments to rehouse homeless people, families, and youth with construction of permanent supportive housing, rapid re-housing, transitional housing, supportive services, and more.	7,138 households	\$60M	Consolidate and cut overall funding by 12%
Community Development Block Grant	Gives grants to states, cities, and counties to develop urban communities.	Not publicly available	\$35M	Eliminated
Rural Development Programs	Gives single-family housing direct loans, self-help housing grants, and rural housing vouchers.	Not publicly available	\$6.4B ²	Eliminated

¹Outcome data is not included for programs that are not administered by OHCS or where data is not readily available to the public.

²This is the national appropriation. The source data is not broken out by state.

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Federal Budget Proposal (cont.)*				
Program Name	What It Does	Oregon Outcomes ¹	Amount Oregon Received in the Most Recently Reported Fiscal Year	Proposed Federal Action
Indian Housing Block Grant Program	Funds Tribal operations, including roads, social services, and affordable housing construction. Cuts focus funding on "core priorities for Tribal communities, such as law enforcement."	Not publicly available	\$1.3B ²	Cut by \$457M
Self-Sufficiency Programs	Helps households increase earnings and make progress toward economic self-sufficiency.	Not publicly available	\$196M ²	Eliminated
Fair Housing Grants	Provides funds to nonprofits and other fair housing organizations to carry out education, outreach, and enforcement to prevent discriminatory housing practices.	Not publicly available	\$60M ²	Eliminated
Community Services Block Grant	Provides funds to states, Tribes, and territories to implement community-based services to reduce poverty, revitalize communities, and help people with low incomes become self-sufficient.	137,614 households	About \$6.1M	Eliminated

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Reconciliation Bill, a.k.a., One Big Beautiful Bill Act*			
Program Name	What It Does	Amount Oregon Received in the Most Recently Reported Fiscal Year	Proposed Federal Action
Green and Resilient Retrofit Program	Funds energy and water efficiency retrofits and climate resilience projects at HUD-assisted multifamily projects.	\$138M ¹	Eliminated
Low-Income Housing Tax Credit (LIHTC)	Restores and extends a 12% credit allocation increase of 9% LIHTC and lowers the private activity bond financing threshold from 50% to 25% for 4% LIHTC.	\$12M ²	12% increase in 9% LIHTC Estimated to fund 527K homes
Mortgage Interest Reduction	Makes the Tax Cuts and Jobs Act's provisions limiting deduction to the first \$750K of debt, down from \$1M and excluding interest on home equity loans, permanent.	\$37M ¹	Extends limits
Opportunity Zones	Expands the definition of low-income communities and supports designation of additional qualified opportunity zones in rural areas.	N/A	Expanded
Energy Efficiency Tax Credits	Credits incentivize homeowners and some contractors to make upgrades to existing homes, invest in renewable energy systems, and construct or rebuild new energy-efficient homes.	\$104B ¹	Eliminated
State and Local Tax Deduction Relief	Extends cap on deduction and increases it from \$10K to \$40K with a new phase-out above \$500K income.	N/A	Expanded

¹This is the national appropriation. The source data is not broken out by state.
²This is the number for 9% LIHTC. It is the only LIHTC program that is "allocated."

Conclusion

If OHCS receives less federal funding, it makes it more challenging to further deliver housing progress in Oregon.

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