

THE TRUMP ADMINISTRATION AND HOUSE REPUBLICANS HAVE VERY DIFFERENT VISIONS FOR THE FUTURE OF TENANT-BASED VOUCHER PROGRAMS

Going into FY 2026, U.S. Housing and Urban Development Department (HUD) funding is in a state of strident uncertainty. In June 2025, President Trump submitted a FY 2026 federal budget proposal that includes [a 44 percent](#) cut to HUD programs. The following month, the House Appropriations Committee [released a draft](#) of its transportation, housing, and urban development (THUD) appropriations bill that seeks much more modest changes to funding levels. The backdrop for this debate over HUD funding is a [national crisis](#) in which housing has become crushingly unaffordable and, in some cases, [unavailable](#).

Most of the \$33 billion reduction in funding in the Trump administration's proposal comes from the consolidation of several rental assistance programs into a single state block grant. In general, block grant programs can give states [flexibility](#) to allocate money in ways that best suit local needs. But it's doubtful that flexibility can compensate for a decrease in funding as drastic as 44 percent, even if that funding cut was phased in.

The largest of the programs subject to funding cuts is the [Housing Choice Voucher program](#), sometimes known as Section 8. Voucher recipients are low-income tenants who then use those vouchers to shop for housing on the private market, which is then (mostly) paid for by local housing authorities.

Rental vouchers are [empirically very efficient](#) ways of providing housing to those who cannot afford typical market rates. Academic studies have found that well-designed voucher programs facilitate upward mobility among young families, reducing poverty and ultimately [saving the government money](#). By seeking to absorb housing choice vouchers into the new block grant paradigm, President Trump is essentially trying to eliminate the voucher program. Eventually, many tenants could lose their vouchers, likely [increasing homelessness](#) and emergency shelter stays.

Meanwhile, the [congressional appropriations bill](#) maintains housing choice vouchers as a separate program and increases funding levels for renewing expired vouchers by nearly 13 percent compared to [last year's bill](#). The House Appropriations Committee aims to trim costs by cutting HUD staff rather than programming – the FY 2026 bill calls for a 29 percent drop in administrative expenses among public



No one complains about cookie cutter [housing developments] when the cookies are delicious. No one is complaining that every cookie in the Milano's box is the same.

New Hampshire-based town planning and urban design consultant [Ivy Vann](#)

QUOTE OF THE MONTH

housing agencies that manage the voucher program.

It's difficult to determine the total amount of money spent on housing choice vouchers in Massachusetts each year, in part because HUD directly allocates vouchers to local housing authorities, rather than the state. But it's worth noting that the Boston Housing Authority alone manages [about 15,000 housing choice vouchers](#), and sets the maximum subsidy at above \$2,000 per month [in every zip code](#) in the city. BHA officials have said that [about 8,000 vouchers](#) would likely need to be terminated if the Trump administration's HUD funding cuts come to pass.

More broadly, the root cause of the country's housing challenges is [a chronic supply shortage](#) that has been mounting for decades, especially in large, coastal metropolitan areas. For the many Americans currently in cost-burdened and unstable housing arrangements, building our way out of this crisis [is necessary](#), but also too slow-acting to be sufficient. Rental assistance programs, especially demand-side subsidies, can improve housing availability for low-income Americans without [disincentivizing landlords](#) and developers from providing that housing in the first place.

As a next step, the proposed funding changes will likely be subject to some deliberation in Congress, which rarely authorizes the subsequent fiscal year's budget [until September or later](#). It's unclear if President Trump is willing to veto the THUD appropriations bill or otherwise negotiate his priorities into the final version. Hanging in the balance are tangible housing outcomes for millions of families across the nation.

AFTER LATEST DEADLINE, ONLY 15 TOWNS REMAIN OUT OF COMPLIANCE WITH THE MBTA COMMUNITIES ACT

On July 14, 2025, several dozen communities faced a final deadline under the MBTA Communities Act. The Act, officially known as Chapter 40A Section 3A, [requires](#) about half of Massachusetts municipalities to have at least one zoning district where multifamily housing at a density of at least 15 units per acre is allowed by right, without discretionary approval processes. After the Massachusetts Supreme Judicial Court [exposed some hiccups](#) in the law's regulatory rollout, municipalities that had previously failed to meet deadlines in December 2023 and December 2024 were given until July to comply.

But with another round of Town Meeting and City Council votes this spring, 15 communities remained out of compliance after the 14th. One community, Marblehead, missed the deadline because the previously adopted 3A-compliant zoning [was struck down](#) in a July 8 referendum vote.

Even before this most recent deadline, the region saw several examples of last-ditch efforts to avoid compliance. On June 6, 2025, a Superior Court judge [dismissed a lawsuit](#) filed by nine towns arguing that the state cannot enforce the MBTA Communities Act because it is an “unfunded mandate.” Later in June, [the same judge](#) rejected a group of Milton residents’ argument that the town was wrongfully classified as a “rapid transit community” under the new regulations.

Attorney General Andrea Campbell [has the authority](#) to sue municipalities that fail to comply with the MBTA Communities Act, and indeed [she sued Milton](#) after its initial non-compliance in February 2024. But as of this writing, it's unclear if the state is willing to take the drastic step of filing lawsuits against 15 communities at once.

More broadly, Section 3A's messy implementation comes with lessons for further housing and zoning-related reforms in the Commonwealth. When the ultimate burden is on cities and towns to rezone themselves, implementing the law [is inherently complex](#), resource-intensive, and hard to enforce. More importantly, towns are also likely to comply with the law in ways that [all but ensure](#) that few new homes will be built, such as by overlaying the new zoning on existing multi-family parcels.

One alternative could be overriding local zoning under specific conditions. For example, small-scale multifamily buildings could be allowed [in every commercial zoning district statewide](#). The appeal of such a policy is that it

still gives localities a say over where those districts are located, but (like the MBTA Communities Act) it also ties residential zoning to the presence of important amenities. Unlike the MBTA Communities Act, it comes with a “base case” (i.e., the existing commercial zoning) that allows for new housing proposals associated with the law to move forward right away.

In a similar vein, Governor Healey's [Unlocking Housing Production Commission](#) has even [recommended](#) allowing up to four units per parcel in residential areas with sufficient infrastructure, a policy already implemented in [Vermont](#); [Maine](#); and other places.

The upshot is that, while most communities have complied with the MBTA Communities Act, ensuring that such zoning reforms translate into a substantial quantity of new housing in most places will likely require further policy changes. Despite the loud, headline-grabbing opposition to Section 3A from local control advocates, the law's implementation is ultimately still dependent on the politics of individual cities and towns.

In 2024, the U.S. homeownership rate declined for the first time since 2016, to 65.6%.

[Source: [Harvard Joint Center for Housing Studies](#)]

FACT OF THE MONTH

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