

Federal & State Budget and Policy Update

Growth Management Policy Board

May 27, 2026



Puget Sound Regional Council

Federal Updates

- FY 2027 Appropriations
- 21st Century Road to Housing
- Continuum of Care
- Surface Transportation Reauthorization
- Reconciliation



FY 2027 HUD Appropriations



National Low Income
Housing Coalition
Analysis

FY 2027 Budget Chart

- 8% cut to HUD budget overall
- 1.5% Increase Tenant Based Rental Assistance – likely not enough for renewals
- Cuts Homelessness Assistance Grants by with Continuum of Care (CoC) reduction of \$232m or 5.7%, ESG level funded
- Cuts Public Housing with 29% less for capital \$5.7 decrease for operations
- \$750m cut to HOME or 60%
- Does not include change to CoC program or work requirements and time limits proposed by President



21st Century ROAD to Housing Act

- House passed on May 20, now back to Senate
- White House issued statement of support
- Bipartisan bill, with Senate and House housing priorities
- Includes over 45 provisions from the ROAD to Housing Act and the Housing for the 21st Century Act



21st Century ROAD to Housing Act Provisions



- Focused on expanding housing supply
- Removes regulatory barriers
- Modernizes HUD programs, including HOME
- Enhances Community Banking Operations

[Section-by-section summary](#)

[One Pager](#)



21st Century ROAD to Housing Act House Changes

- Adds Senator Warren's **Innovation fund**
- Changes provision restricting **institutional investor** single-family home purchase
 - Clarifies "single-family home" definition to avoid unintended transactions
 - Adds exemptions for transaction types
 - Strips provision that requiring investors to sell build-to-rent units to individual homebuyers after seven years
- Removes permanent authorization for **CDBG**
- Adds back provision **oversight of public housing agencies**
- Adds requirement CDBG grantees publish **database of undeveloped publicly owned land**



Continuum of Care



- FY 2025 NOFO included drastic program changes, including limiting spending on permanent housing & prohibiting housing first practices
- King County is part of ongoing lawsuit
- Right now because of provisions included in FY 2026 Approps bill all funding for FY2025 slated to go out
- Expecting FY 2026 NOFO soon, possibly 5/29



Surface Transportation Reauthorization



- House Bill Mark up last week in Transportation & Infrastructure
- Senate coming
- Increases some programs including Surface Transportation Block Grant program & \$3.5 billion annual increase in Bridge Formula Program
- Combines other programs
- Includes \$130 fee for EVs \$35 fee for hybrid vehicles to support Highway Trust Fund





Thank You!

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