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How Federal Changes Could Impact NYCHA

[IBO's Federal Changes, Local Impacts series](#) is a collection of short reports that examine areas of New York City's budget, economy, and operations that are particularly reliant on federal funding, subject to notable federal policy changes, or both. These reports are intended to inform public discussion by objectively highlighting how federal decisions may affect the City. IBO encourages readers to visit its [website](#) to explore additional topics covered in this series.

The [second installment](#) of the New York City Independent Budget Office's Federal Changes, Local Impacts series focuses on [New York City's Public Housing Authority](#).

September 25, 2025 – The New York City Housing Authority (NYCHA) houses around 521,000 New Yorkers. The median household income for Section 9 public housing residents is about \$26,000, and the average rent paid by a NYCHA tenant is \$628 per month. Similarly, for Section 8 voucher holders renting privately owned apartments, the median household income is about \$23,000 and the average rent paid is \$576. Even at the scale NYCHA operates, there are 241,000 families on NYCHA's public housing waitlist and over 200,000 families are on the voucher waitlist.

NYCHA's operating and capital budget is heavily reliant on federal support. In 2025, 67% of NYCHA's \$5.4 billion operating budget was funded directly through the federal government, 20% through tenant rents, and 5% by the City of New York. Historically, public housing has been chronically underfunded over decades. Current estimates to bring NYCHA into a state of good repair is estimated to top \$78 billion over 20 years, and in 2025, 46% of NYCHA's \$3.4 billion capital budget came from federal sources. The majority of NYCHA's federal funding is awarded directly to the Authority and does not go through the City.

Proposed federal changes would result in a \$27 billion reduction in public housing and housing voucher funding nationally. A separate proposal being considered is the consolidation of Section 8, Section 9, and other housing assistance programs into a singular state rental assistance block grant. A block grant would allow for greater state discretion in the allocation of funding; however, it would mean a smaller overall funding pool than the amounts currently being awarded to states and localities. As a





result, this would place NYCHA in the position of competing for a share of resources with other entities also in need of federal support.

The Trump administration has also proposed a two-year cap on rental assistance for “able-bodied adults” (yet to be defined). The proposal would allow those on the NYCHA waitlist to access affordable housing, however, it would do so at the expense of current residents, who would have to secure housing through other means, with little prospect that such households can find affordable housing elsewhere.

So far Congress has not incorporated any major changes in their ongoing budget discussions. However, any decreases to housing aid at the federal level would place pressure on City and State sources to support NYCHA’s budget. If New York City or State cannot backfill lost federal revenue, the potential cuts to NYCHA’s operating and capital budgets would substantially impact NYCHA’s financial health and its capacity to provide affordable, stable, and quality housing.

