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Trump DEI Purge Hits Affordable Housing Groups

Millions of dollars in affordable housing contracts were canceled after a DOGE review of their websites and social media for terms linked to equity and diversity.



The Trump administration canceled contracts with a slate of affordable housing programs, including ones that support first-time homebuyers. Photographer: Rachel Wsniowski/Bloomberg

By **Kriston Capps**

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Summary by Bloomberg AI

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Summa

Millions of dollars in federal contracts for affordable housing were canceled after a Department of Government Efficiency review of nonprofits' websites and LinkedIn profiles for terms associated with DEI, according to current and former staff at the US Department of Housing and Urban Development.

The canceled awards include ongoing projects in more than 1,000 communities to address homelessness, disaster recovery, persistent poverty and other housing issues, according to a list seen by Bloomberg CityLab.

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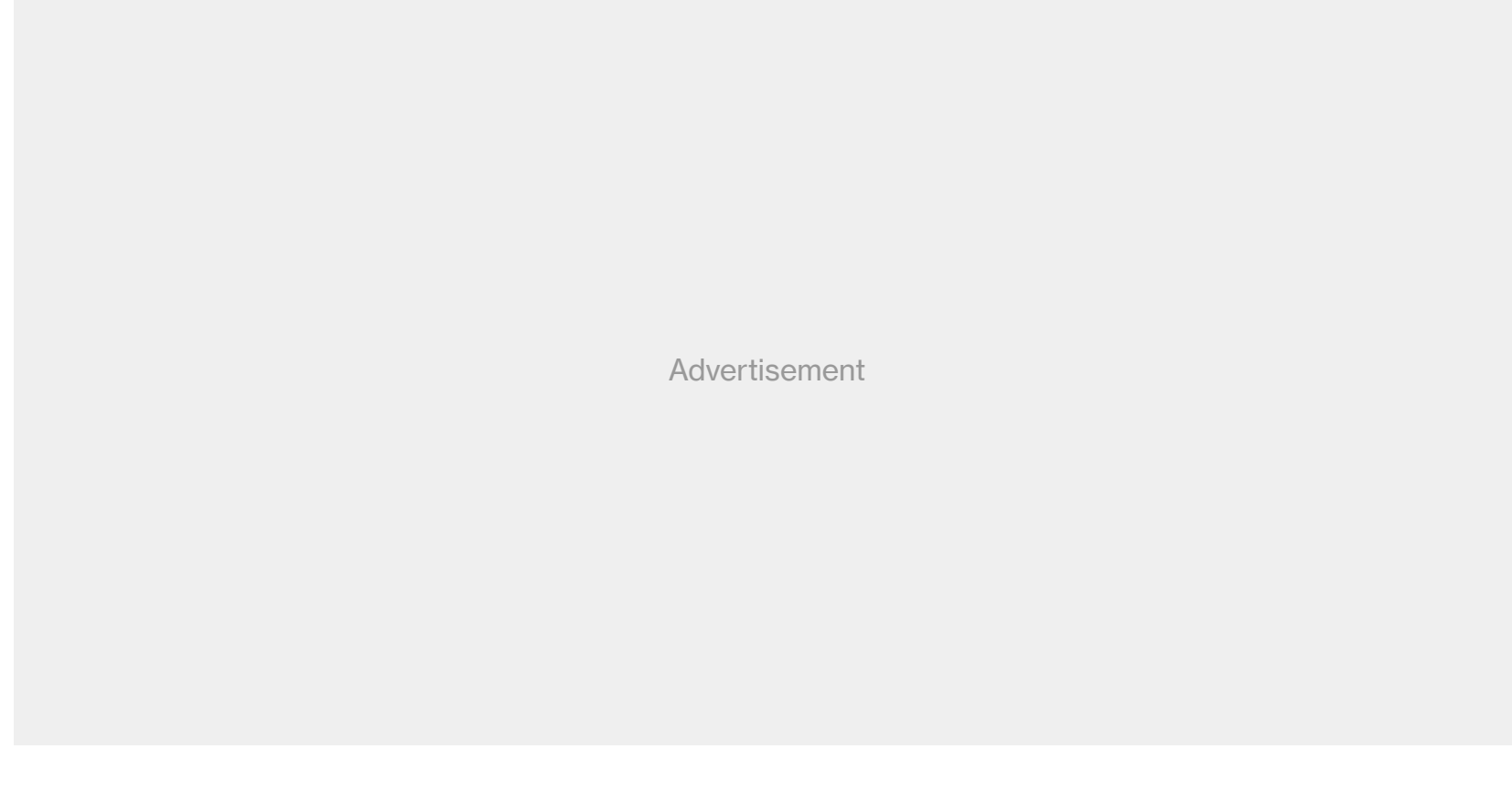
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The terminations came in February, after staff from the Elon Musk-led DOGE directed HUD to draw up letters informing the nonprofits that their "operations and performance in connection with the subject awards is not in compliance with the Executive Order titled 'Ending Radical and Wasteful Government DEI Programs and Preferring'"



At least eight national organizations saw their technical assistance contracts with HUD terminated following the DOGE review of their public-facing sites. Technical assistance refers to grants for consulting on tools, coordination, systems and other solutions.

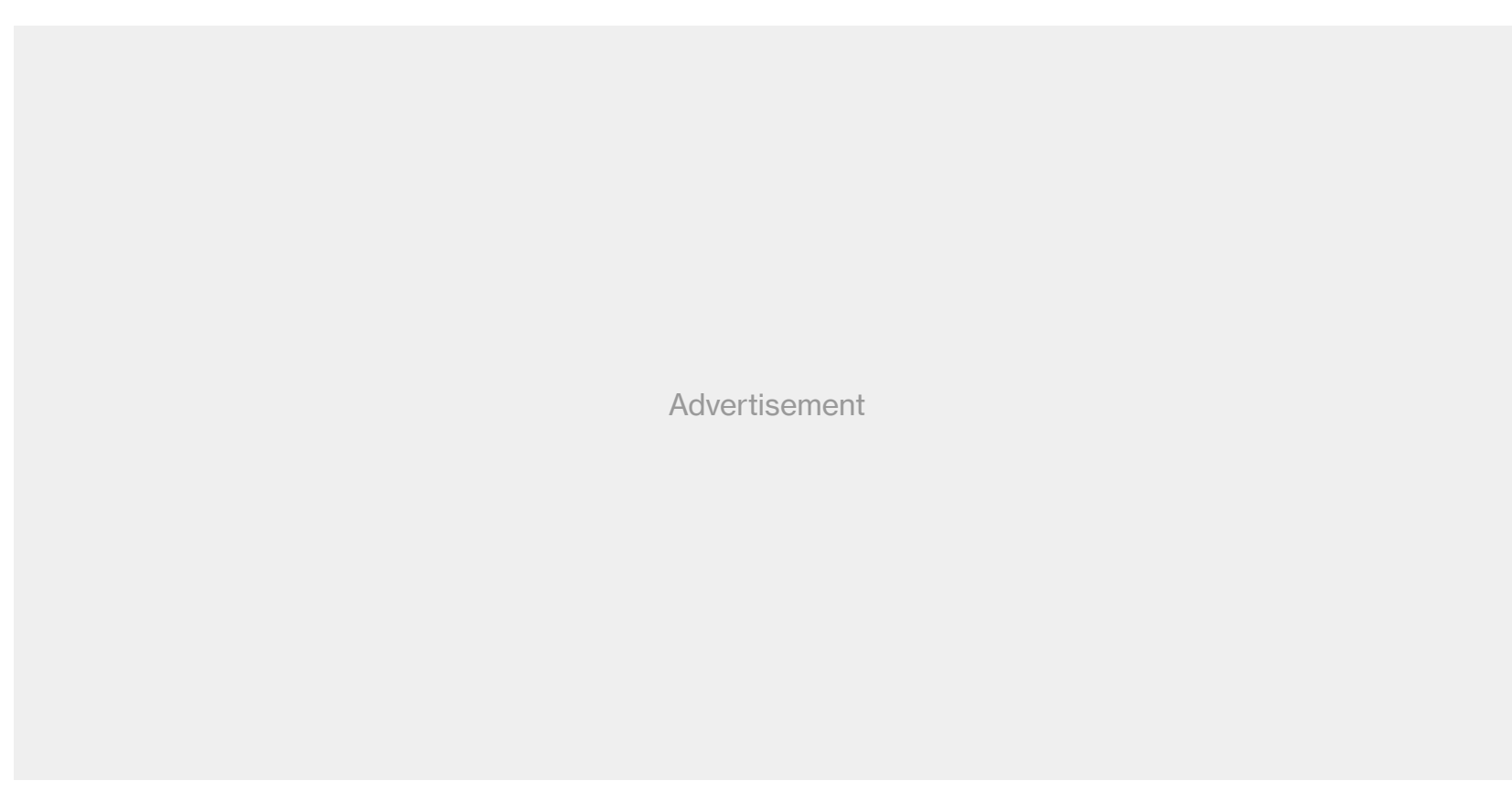
DOGE further eliminated awards for least two of the three groups that administer grants for a program known as Section 4. Federal law requires these awards to be managed and distributed by national intermediaries; HUD's own guidance for these awards, which are meant to provide support for capacity-building and community development, requires recipients to "advance housing justice" and "support underserved communities."

While DOGE has no statutory basis, and no authority to review spending approved by Congress or defund federal agencies, the group has exercised broad powers to cancel funding at agencies throughout the executive branch.

A spokesperson for HUD said that "certain contracts were found not to accomplish HUD's mission with economy, efficiency, and effectiveness." But they added that the agency is planning to allow appeals, and "is currently working with grantees to communicate the appeals process."

One nonprofit intermediary, the Local Initiatives Support Corporation, said that HUD canceled all its active technical assistance grants and Section 4 awards, totaling about \$30 million. A spokesperson for LISC said that its awards have supported lead-based paint remediation in Arkansas, first-time homebuyer support for teachers in the Mississippi Delta and the rehabilitation of an abandoned mill in Maine.

"This move violates congressional appropriations language, which mandates expert intermediaries manage Section 4 funds," LISC said in a statement. "The Section 4 model was established specifically because HUD does not have the capacity or staffing resources to efficiently administer small grants and technical assistance programming to upwards of 1,000 community-based groups annually."



Enterprise Community Partners – a national nonprofit devoted to boosting affordable housing supply, advancing racial equity and improving social mobility, according to its site – received four termination notices on Feb. 26. One was for a \$32 million contract under Section 4; Enterprise redistributes those funds through grants to groups that build and preserve affordable housing. The company spent the last year organizing trainings and workshops for RFPs to help underserved groups apply for and use the grants, most of which are small, with an average of \$50,000. Now, instead, Enterprise will be forced to cancel those grants, although the company is looking for options to continue providing its pledged support.

Shaun Donovan, president and CEO of Enterprise (and former secretary of HUD under President Barack Obama), said in a statement that the "decision will raise costs for families, hobble the creation of affordable homes, forfeit local jobs, and sap opportunity from thousands of communities in all 50 states."

Habitat for Humanity, the third organization that administers Section 4 awards for HUD, was not on the list of affected national organizations reviewed by Bloomberg CityLab. Habitat's site describes the group as a nonprofit ecumenical Christian organization and offers an explainer about racial equity in housing. Habitat did not respond to a request for comment.

(Adds comment from HUD.)

Kriston Capps is a writer for CityLab in Washington, D.C., focused on housing, architecture and the built environment.

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