



December 4, 2025

The Honorable Susan Collins  
Chair  
Committee on Appropriations  
U.S. Senate  
Room S-128, The Capitol,  
Washington, D.C. 20510

The Honorable Patty Murray  
Vice Chair  
Committee on Appropriations  
U.S. Senate  
Room S-128, The Capitol,  
Washington, D.C. 20510

The Honorable Tom Cole  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
H-307 The Capitol  
Washington, DC 20515

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives,  
1036 Longworth HOB  
Washington, D.C. 20515

Dear Congressional Appropriators:

On behalf of our four organizations, who represent virtually every public housing agency (PHA) in the United States, we write to express deep concern regarding the most recent Notice of Funding Opportunity (NOFO) for the Continuum of Care (CoC) Program, announced by the Department of Housing and Urban Development (HUD) on November 13, 2025.

The CoC Program competition, which involves a rigorous application process and community-wide planning among States and localities, typically requires a new application every year. However, in 2024, Congress authorized fiscal year (FY) 2025 funds to be awarded as the second year of two-year CoC funding awards. On July 31, 2024,<sup>1</sup> HUD proceeded with a two-year award competition; however, HUD has now replaced that competition with a new NOFO for FY 2025.

The new application disregards the two-year planning process that communities underwent last year and undermines the Congressional authority provided in the FY 2024 Appropriations Act. Announcements of awards under the new NOFO are now expected to be provided in May

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<sup>1</sup> <https://grants.gov/search-results-detail/355762>

2026, which is nearly five months later than when grantees generally receive their awards. This will result in gaps in CoC grant funding nationwide for FY 2024 grantees whose awards are set to expire between January and June 2026. The impact this will have on communities that PHAs serve is dire. **Given the timing, and to avert harmful funding gaps, HUD must immediately award FY 2025 funds to all grantees who are eligible for renewal in accordance with the previously approved two-year NOFO.**

Major changes have also been made to the current NOFO, which now limits how much CoC funding a grantee can use for Permanent Housing. Under this new notice, no more than 30 percent of CoC's Annual Renewal Demand (ARD) will fund Permanent Housing projects. This is meant to reduce the number of existing Permanent Housing projects in order to create new transitional housing and supportive services only projects. However, this will result in a reduction of funding for Permanent Housing in States and localities nationwide—which includes both permanent supportive housing (PSH) and rapid re-housing projects (RRH). Communities rely on these services to help people and families living with disabilities and experiencing long-term or repeated homelessness. Randomized controlled trials demonstrate that PSH projects help people access housing and remain housed long-term.<sup>2</sup> Without Permanent Housing, it is estimated that more than 4,000 veterans may lose their housing.<sup>3</sup> Further, limiting funds for Permanent Housing would put nearly 170,000 formerly unhoused people at a renewed risk of homelessness.<sup>4</sup>

### **The Negative Impact Backed By Data**

The Urban Institute warns that reductions in CoC funding would lead to states like Louisiana, Maine, Michigan, Missouri, and Delaware losing between 68 and 75 percent of their PSH resources.<sup>5</sup> Other states like New Hampshire, South Dakota, and Oklahoma would see the largest proportional cuts to federal funding for PSH, which serve those who face chronic homelessness – defined by HUD as being homeless for at least a year, or at least four times in a year totaling 12 months, combined with a disabling

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<sup>2</sup> <https://housingmatters.urban.org/feature/housing-first-still-best-approach-ending-homelessness>

<sup>3</sup> <https://www.urban.org/urban-wire/hud-policy-change-could-push-4000-veterans-disabilities-out-housing>

<sup>4</sup> [https://www.nytimes.com/2025/11/12/us/politics/trump-homeless-funding.html?unlocked\\_article\\_code=1.008.F5T9.iw064HvQ9BIN&smid=url-share](https://www.nytimes.com/2025/11/12/us/politics/trump-homeless-funding.html?unlocked_article_code=1.008.F5T9.iw064HvQ9BIN&smid=url-share)

<sup>5</sup> <https://www.urban.org/urban-wire/evidence-shows-permanent-supportive-housing-helps-people-exit-homelessness-proposed>

chronic health condition of an individual or an adult head of household within a family. In these three states, **100 percent** of PSH beds dedicated to chronic homelessness rely on CoC program funding.

The Urban Institute estimates that 60 percent of the more than 400,000 PSH beds that exist nationwide rely on CoC funding. Further, data shows that in 41 states the majority of housing that is dedicated to chronic homelessness relies on this funding as well. Moving away from Permanent Housing would greatly impede a state's ability to reduce homelessness.

### **For Many, Switching from Permanent Housing to Transitional Housing Isn't an Option**

In the new NOFO, HUD has added language that justifies limiting the funds a grantee can use for Permanent Housing projects. In the title heading "Investment in Transitional Housing and Supportive Service Only Projects," the NOFO states that this is meant to "...promote balance and increase competition..." However, many individuals and families in Permanent Housing are unable to transition toward a path of self-sufficiency due to a variety of factors, including disability or mental illness.

Permanent Housing is a critical component to the success of the CoC program. Among all States, territories, and Puerto Rico and Washington D.C., more than **\$2.9 billion** was used for Permanent Housing projects in FY 2024 – **82 percent of all CoC funding according to data from HUD**.<sup>6</sup> In Maine, 85 percent (\$19.2 million) of their CoC funding for FY 2024 was used for Permanent Housing projects. If the new NOFO is accepted as is, Maine would only be able to use \$6.7 million of its \$22.6 million in total CoC funding for Permanent Housing projects – a drastic reduction.<sup>7</sup> Oklahoma, which used over \$12.3 million (67% of their total CoC funding) for Permanent Housing projects in FY 2024, would only be able to use \$5.5 million for FY 2025 funding.<sup>8</sup> Washington State, which used over \$94.5 million (79% of their total CoC funding) for Permanent Housing projects

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<sup>6</sup> [https://files.hudexchange.info/reports/published/CoC\\_AwardComp\\_NatlTerrDC\\_2024.pdf](https://files.hudexchange.info/reports/published/CoC_AwardComp_NatlTerrDC_2024.pdf)

<sup>7</sup> [https://files.hudexchange.info/reports/published/CoC\\_AwardComp\\_State\\_ME\\_2024.pdf](https://files.hudexchange.info/reports/published/CoC_AwardComp_State_ME_2024.pdf)

<sup>8</sup> [https://files.hudexchange.info/reports/published/CoC\\_AwardComp\\_State\\_OK\\_2024.pdf](https://files.hudexchange.info/reports/published/CoC_AwardComp_State_OK_2024.pdf)

in FY 2024, would only be able to use \$36.1 million for FY 2025 funding.<sup>9</sup> Connecticut, which used over \$85.4 million (90% of their total CoC funding) for Permanent Housing projects in FY 2024, would only be able to use \$28.4 million for FY 2025 funding.<sup>10</sup>

Changes like these will negatively impact homeless services and people at risk of homelessness across the nation. Realistically, there is no practical solution by HUD to assist individuals that will be displaced under this change and reintroduce them into transitional housing. Historically, Congress has advocated for state decision making and local flexibility. Local communities should be able to decide how their CoC funds can be best allocated based on the needs of their citizens.

We implore Congress to take action to protect congressionally authorized and approved funds **by including language in the next continuing resolution or THUD appropriations bill that requires HUD to renew all existing Continuum of Care grants expiring during calendar year 2026 for one 12-month period.** As the nation faces a worsening homelessness crisis caused by rising costs and a lack of affordable housing supply, it is imperative that HUD not delay FY 2025 funds from being distributed to communities. A delay in funds will only exacerbate the crisis and make it harder for communities to thrive.

Sincerely,



Tim Kaiser,  
Executive  
Director,  
Public Housing  
Authorities  
Directors  
Association  
(PHADA)



Mark Thiele,  
CEO,  
National  
Association of  
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La Shelle Dozier,  
Executive Director,  
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Josh Meehan,  
President,  
MTW Collaborative

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<sup>9</sup> [https://files.hudexchange.info/reports/published/CoC\\_AwardComp\\_State\\_WA\\_2024.pdf](https://files.hudexchange.info/reports/published/CoC_AwardComp_State_WA_2024.pdf)

<sup>10</sup> [https://files.hudexchange.info/reports/published/CoC\\_AwardComp\\_State\\_CT\\_2024.pdf](https://files.hudexchange.info/reports/published/CoC_AwardComp_State_CT_2024.pdf)