

FY 2025 APPROPRIATIONS

HUD’S HOMELESS ASSISTANCE GRANTS: ENSURING FUNDING MEETS THE NEEDS OF AMERICA’S CURRENT HOMELESSNESS CRISIS

	Alliance Recommendation	Administration	House THUD	Senate THUD	Actual
FY 2025	\$4.75 billion	\$4.06 billion	\$4.06 billion	\$4.32 billion	TBD

SUMMARY

The principal source of targeted federal funding to fight homelessness is the U.S. Department of Housing and Urban Development (HUD)’s **Homeless Assistance Grants (HAG)** account, which funds the **Continuum of Care (CoC)** program and the **Emergency Solutions Grant (ESG)** program. This account, currently funded at \$4.05 billion, supports a nationwide network of state, local, charitable, and faith-based homeless assistance providers — including those who serve youth and survivors of domestic violence — who make sure that people who become homeless will be identified, kept safe, and quickly returned to housing.

The Alliance has urged the Administration and Congressional lawmakers to provide the HAG program with a **\$700 million** increase to \$4.75 billion in Fiscal Year (FY) 2025 to:

- cover the increased cost of program renewals;
- allow for cost-of-living adjustments for frontline staff; and
- bolster the crisis response system to better address the rise in unsheltered homelessness.

BACKGROUND

HUD awards HAG funds to communities that administer evidence-based programs that provide housing and services at the local level. Specifically, the formula ESG program and the competitive CoC program fund the foundations of homelessness response systems in communities across the nation including urban, suburban, small towns, and rural areas.

RECOMMENDATION

The Alliance appreciates the Senate’s better funding level but urges lawmakers to encourage their colleagues on the House and Senate Appropriations Committees, particularly the T-HUD Subcommittees, to provide HAG with our original request of a \$700 million increase in funding, a position which also enjoys the support of almost 200 Representatives and Senators because:

1. Homelessness for the most vulnerable Americans—including older adults and those experiencing chronic homelessness—is getting worse as more people become homeless each year. Increased HAG funding could ensure **many more vulnerable households receive the housing assistance and supportive services** they need to obtain and maintain housing. Just as important as rental assistance is the workforce that provides the services which is threatened by low pay and high caseloads. This increase would also provide the ESG program with significant new resources to address **unsheltered homelessness and the prevention of homelessness**.
2. **Homelessness is increasing at higher rates as the affordable housing crisis worsens.** According to the 2024 GAP report (published by the National Low Income Housing Coalition), the United States has a shortage of 7.3 million rental housing units. HUD’s HAG funding serves as the first line of defense to address the immediate crisis of homelessness.