

HOW CONGRESS CAN HELP SOLVE HOMELESSNESS

The Alliance urges the Administration and Congressional lawmakers to provide the Homeless Assistance Grants account with a \$4.922 billion appropriation in FY26.

Overview

A dire affordable housing crisis and an insufficient social safety net continue to drive nearly 19,000 people into homelessness each week, challenging the ability of local homeless response systems to quickly rehouse those who are already experiencing homelessness. Further, as a result of both historic and modern discrimination in housing, employment, wages, criminal legal system involvement, and healthcare, homelessness continues to disproportionately [impact](#) people of color and marginalized communities.

A MODEST \$867 MILLION INCREASE FOR HUD'S HOMELESS ASSISTANCE GRANTS PROGRAMS IS NEEDED TO ENSURE CRITICAL LIFE-SAVING PROGRAMS CAN CONTINUE TO OPERATE.

Federal Funding: the Backbone of Homeless Response

The U.S. Department of Housing and Urban Development (HUD)'s [Homeless Assistance Grants \(HAG\) account](#) funds the primary federal programs to address homelessness: the Continuum of Care (CoC) program and the Emergency Solutions Grants (ESG) program.

- The CoC Program provides funding for permanent housing, supportive services, data collection, and overall community-wide planning and coordination.
- The ESG program provides funding for emergency shelters, provision of essential services, re-housing of homeless individuals and families, and homelessness prevention.

The HAG account supports a nationwide network of state, local, charitable, and faith-based providers working in collaboration to prevent and end homelessness for all Americans. This includes unaccompanied youth, older adults, families, veterans, and domestic violence survivors.

Rising Homelessness Overwhelms Local Response

In 2024, homelessness [rose](#) by a record 18%, driven largely by an unprecedented number of households experiencing homelessness for the first time. **SIMPLY PUT, THE NUMBER OF PEOPLE BEING PUSHED INTO HOMELESSNESS EXCEEDS THE AVAILABILITY OF RESOURCES TO REHOUSE THEM.**

In a 2023 poll, more than 75% of direct services providers reported that they were forced to turn away new referrals due to insufficient resources and staffing shortages.

QUESTIONS? Please contact: jthrelkeld@naeh.org

Congress Helps Communities Solve Homelessness

Federal support enables providers to pair permanent housing with accessible services in a people-first approach, ending homelessness for hundreds of thousands annually. Although total homelessness is up nationally, progress is still being made locally as a result of effective strategies and the use of evidence-based approaches.

Sample Communities Solving Homelessness in 2024 (Progress made since 2023)

Spokane County, WA	Unsheltered homelessness down 54%
Dallas, TX	Unsheltered homelessness down 14%; overall homelessness down 12%
State of Maine	Overall homelessness down by 36%

Congressional Investments Make the Difference

Congress can support communities in FY26 with a total appropriation of **\$4.922 BILLION** for the Homeless Assistance Grants program, a **\$867 MILLION INCREASE** from FY25. Only \$410 million of the total request represents new funding.

\$652 million more for the Continuum of Care program to:

- **ACCOUNT FOR FAIR MARKET RENT (FMR) INCREASES IN FY25 AND FY26.** Inflation and rising FMRs impact renewal costs for existing projects in FY25, and likely in FY26, resulting in higher program costs.
- **RECOVER FROM FY25 FUNDING LOSS:** The year-long Continuing Resolution [creates](#) a **\$150-200 MILLION SHORTFALL** in FY25, threatening to eliminate housing assistance for at least 18,500 households.
- **ALLOW FOR COST-OF-LIVING ADJUSTMENTS FOR FRONTLINE STAFF:** Our [underpaid](#) and [overworked](#) workforce can't serve older adults and people with disabilities without additional support. A **\$50 MILLION BOOST** will prevent turnover and help staff afford their own housing. The Alliance thanks the Senate Appropriations Committee for setting aside \$47 million for this purpose in its FY25 bill.
- **ALLOCATE NEW FUNDING TO CREATE PROJECTS TO SERVE PRIORITY POPULATIONS:** Adding **\$150 MILLION** for new projects targeted at one or more priority population based on community-specific needs. While the use of these funds should be locally determined, Congress should prioritize youth, survivors of domestic violence, older adults, and people with complex behavioral health needs.

\$210 million more for the Emergency Solutions Grants program to:

- **RESPOND TO THE NATIONWIDE RISE IN UNSHELTERED HOMELESSNESS:** Unsheltered homelessness rose by 6.9% overall, but 19.1% in largely suburban communities and 17.8% in largely rural areas. Additional ESG investments will help communities move more people from the streets into emergency accommodations and directly into housing, reducing visible homelessness.
- **ENSURE THAT EMERGENCY ACCOMMODATIONS MEET EVOLVING NEEDS:** The ESG program uniquely focuses on unsheltered homelessness. Communities need more funds to modernize emergency shelters so they can move more people off the streets and better serve older adults and people with disabilities.

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