

September 30, 2025

The Honorable Steve Womack
U.S. House of Representatives
Chairman, Transportation-Housing
and Urban Development Subcommittee
2358-A Rayburn House Office Building
Washington, D.C. 20515

The Honorable Cindy Hyde-Smith
U.S. Senate
Chair, Transportation-Housing and
Urban Development Subcommittee
Room S-128, The Capitol
Washington, D.C. 20510

The Honorable James Clyburn
U.S. House of Representatives
Ranking Member, Transportation-Housing
and Urban Development Subcommittee
1036 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kirsten Gillibrand
U.S. Senate
Ranking Member, Transportation-Housing
and Urban Development Subcommittee
Room S-128, The Capitol
Washington, D.C. 20510

Dear Chairpersons and Ranking Members:

On behalf of the National Alliance to End Homelessness - a nonpartisan, nonprofit organization committed to preventing and ending homelessness for all, I am writing to express my deep and urgent concern [following reporting from Politico](#) regarding HUD's anticipated new Continuum of Care (CoC) Program Notice of Funding Opportunity (NOFO) for FY2025 funding. This article largely confirmed what the Alliance has suspected: that the new NOFO will include sweeping and reckless changes to funding for permanent housing which will upend homelessness response systems. It is anticipated that such changes will result in the loss of housing for more than 170,000 people nationwide including older adults, veterans, youth, people with disabilities, and families with young children. The NOFO is attempting to carry out what the Administration sought to do in its FY2026 skinny budget request which was rejected in a bipartisan fashion by Congress. Now more than ever before, people experiencing homelessness, or those vulnerable to homelessness and the organizations that serve them, need your continued help and support.

Specifically, the article confirms that HUD will cap the total amount of funding that can be used for permanent housing in a Continuum of Care to only 30 percent. Currently, 87 percent of all CoC-funded projects are for permanent housing (including Permanent Supportive Housing and Rapid Re-Housing). People now living in that housing, once homeless but now stably housed, will lose their place to live and potentially return to the streets. This change will be catastrophic in communities across every part of the country-in every district, in every state. While this cap may result in a greater quantitative loss of permanent housing in metropolitan cities, rural communities will likely feel the impact the hardest because they have far less access to resources outside of the federal dollars.

The Alliance has repeatedly expressed concerns about HUD's retraction of its past commitment of a two-year NOFO, noting how disruptive this action would be to communities who already underwent a two-year planning process and were not expecting a new competition this year. Further, HUD has demonstrated that it does not have the legal, technical or program expertise to successfully implement significant changes to the CoC NOFO – as evidenced by the of re-issuing even its own Administration's version of the Builds NOFO, making Congressional notifications then withholding awards, and the resulting litigation and Temporary Restraining Order placed on the Department for the CoC Builds NOFO.

Since HUD's only communication regarding its intentions to issue a new NOFO in July, our concerns about likely delays as well as HUD's ability to carry out such a significant funding process have grown exponentially. Making major changes like this all at once is courting disaster. During my time as a senior HUD official, when we made changes through the NOFO, it would be carried out over multiple years to give communities time to plan and ensure successful implementation. HUD's actions demonstrate a flagrant disregard for communities and more importantly for the people HUD's programs are designed to serve. We hope that members of Congress, on behalf of the American people, will provide appropriate oversight to HUD and hold it accountable for these actions.

We urge you to intervene to ensure that HUD honors its commitments, which can be achieved with current legislation. Section 166 from the Continuing Appropriations and Extensions and Other Matters Act, 2026 (S. 2882, H.R. 5450), would require that HUD renew all existing Continuum of Care (CoC) grants expiring during calendar year 2026 for one 12- month period. This **no cost** action is consistent with past bi-partisan Congressional direction. Inclusion of this provision would provide communities with sufficient time to plan and Congress with the opportunity to demand that HUD articulate its plan for changes, including how it will meet statutory requirements and avoid harm and displacement of people who are homeless and those who have escaped homelessness with Continuum of Care support, and submit it for review by Congress.

Please protect homelessness funding by including section 166 from S. 2882/H.R. 5450 in the continuing resolution.

Thank you for your consideration. Please contact the Alliance's John Threlkeld (jthrelkeld@naeh.org), Senior Congressional Affairs Manager, if you have any questions or concerns.

Sincerely,



Ann M. Oliva
Chief Executive Officer
National Alliance to End Homelessness