



Continuum of Care Impact Survey: Analysis of Funding Cuts

In December 2025, the National Alliance to End Homelessness surveyed Continuums of Care (CoCs) nationwide to assess impact of severe federal funding cuts from the U.S. Department of Housing and Urban Development (HUD) regarding their homelessness and housing programs. These impacts will be felt most severely in programs funded through the Continuum of Care Program Notice of Funding Opportunity (CoC NOFO) process.

The survey garnered responses from 168 Continuums of Care across 38 states. These 168 CoCs represent a loss of 268 grants in Q1 of 2026 and 492 grants in Q2 of 2026, which would result in the loss of 29,617 Permanent Supportive Housing (PSH) beds throughout Q1 and Q2. The loss of these grants would impact 5,292 landlords who receive federal voucher funding as rent payment.

Impact Overview

Because of funding uncertainty and delays in 2025, projects funded through the CoC Program are already slowing or modifying operations to preserve limited resources and reduce financial risk. Some providers are postponing new enrollments, delaying lease-ups, reducing rental assistance commitments, and limiting supportive service expansions due to concerns about sustaining obligations without clarity on future funding timelines. Ultimately, this means fewer people experiencing homelessness can be served, and fewer people who can get into housing at this moment.

The lack of viable alternatives (other voucher programs are at capacity, local philanthropy is already taxed, and states have a limited ability to provide new or additional support) is jeopardizing critical relationships with community providers, local landlords, and decision-makers. Communities will face increasing levels of harm at all levels (participant, staff, program, partner, system, and community) because of these delays and disruptions.

In the words of a South Carolina partner:

"This gap will be devastating for the people of South Carolina. Programs are at risk of shutting down, landlords will go unpaid, and hundreds of people currently housed through CoC funded programs will be at risk of returning to homelessness. Some programs are already having to pause move-ins due to the uncertainty of this funding at this point. The consequences will ripple across hospitals, schools, EMS, public safety, and local government."

What are the Impacts?

Immediate Concern	Anticipated Harm	Medium-Term Impacts	Final Result
Slowing or stoppage of program referrals	More people languishing on the streets and shelters due to reduced system flow	Increased unsheltered homelessness, as people cannot exit from sheltered homelessness	
Landlord frustration and hesitancy to continue their participation	Landlords increasingly pull out of CoC agreements, evict people from existing housing, and limit new leases for people attempting to exit homelessness	Scarce affordable units become further out of reach and new units cannot be secured	
Added uncertainty and trauma for program participants	Many clients disproportionately suffer from trauma; the threat of program exits adds additional burdens	People who are stably housed after years of struggle (overwhelmingly people with disabilities) will go back to square one. They will have to cope with the trauma of additional homelessness and added barriers to re-housing	More homelessness, particularly visible unsheltered homelessness
Exacerbated staffing challenges	Staffing freezes and turnover will continue to increase caseloads	Overworked and underpaid staff will continue to exit the field, threatening the entire workforce and ability to maintain and scale interventions. With fewer staff, fewer people can get off the streets and into housing	
Increasing strains on system capacity	Instead of focusing on expanding successful homelessness and housing initiatives, communities are forced to dedicate time and resources to constant contingency planning to account for sudden gaps in funding	Uncertainty and increased resource scarcity will unravel decades of effective community-wide collaboration	

Reported Impacts in CoCs' Words

The following quotes are pulled directly from the Alliance's survey, and speak directly to the impact categories explained above.

Slowing or stoppage of program referrals

Roughly one third of responding Continuums of Care explicitly mentioned that there are already ongoing efforts to slow or stop referrals to current or new projects. Vouchers are going unused and participants can't move from shelters into housing because of significant funding uncertainty.

Please note that these quotes reflect the state in which the responding Continuum of Care respondent is located, and is not indicative of the impact on the entire state.

- **Florida:** Our emergency shelters are over capacity when we could be moving individuals and families to permanent housing if funding contracts were not delayed.
- **Pennsylvania:** We are planning to discharge families months earlier, ending payments to landlords, and discontinuing programs if HUD funding is not received.
- **Kansas:** Our largest PSH project is set to expire June 20, 2026. We have enough "slots" right now for 16 households experiencing chronic homelessness / homelessness with a disabling condition, 16 people we could end homelessness for today. At this time, we are slow to fill these slots since we are unsure that we can guarantee rental assistance after June 30th for these households.
- **Iowa:** We have had agencies tell us that they expect their projects to close due to the uncertainty of continued funding. This includes projects that have been operational in rural parts of Iowa for decades but without certainty in funding, there is no way for the project to continue.

Landlord frustration and hesitancy to continue their participation

- **New York:** Landlords we currently work with are becoming increasingly aware of these challenges and have expressed serious concerns about the stability of funding, particularly in cases where leases are held in our clients' names. Due to the risk of funding not being renewed, several landlords are now unwilling to rent units for new clients, fearing they may be forced to pursue eviction within a few months because of nonpayment.
- **Texas:** Additionally, landlords, property owners, and other community partners have begun to voice hesitation about continuing partnerships under these conditions. Concerns include delayed payments, uncertainty around contract renewals, and the perceived instability of funding cycles.
- **Massachusetts:** Some landlords are already reaching out to ask about the sustainability of the funding & are hesitant to take in new CoC tenants, saying "so then in 8 months I'm going to have to go through the eviction process?!"
- **Missouri:** Housing providers report increased difficulty securing new units, negotiating lease renewals, or maintaining master leasing arrangements when funding timelines are uncertain. Landlords are concerned about delayed payments,

contract interruptions, and administrative uncertainty, especially in a competitive rental market where alternative tenants are readily available. This hesitation threatens to further reduce housing stock available to CoC programs and undermines years of relationship-building aimed at expanding permanent housing and rapid rehousing options in the community.

Added uncertainty and trauma for program participants

- **West Virginia:** The people we serve understand the impacts and are fearful of losing the housing and supports that have allowed them to have a level of housing success and that many of them had only hoped for.
- **New York:** One CoC agency, a prominent domestic violence provider in the region, highlighted the impact this uncertainty has on their clients, many of whom are already highly traumatized. For some clients, the agency represents a last resort for help, and it also serves individuals with traumatic brain injuries who have few, if any, alternative options.

Exacerbated staffing challenges

- **Michigan:** Most providers are indicating they will not be able to sustain programming for more than 2 – 3 months after the end of their current grant term. There is overall a sense of fear and uncertainty on what will happen of the clients being served in these projects, and the staff working within them.
- **Colorado:** The "stop-and-start" nature of the federal process is doubling the administrative workload. Staff are currently preparing local applications based on assumptions that may be rendered obsolete by the revised NOFO, leading to high levels of burnout. Many agencies have paused recruitment for essential case management and housing navigator positions. The risk of hiring into a position that may lose funding within six months is deemed too high, leading to increased caseloads for remaining staff and reduced service quality for participants. To avoid creating "unfunded mandates" or leaving participants stranded without a subsidy, some providers are slowing the rate of new enrollments, effectively leaving available units empty until funding stability is confirmed.

Increasing strains on system capacity

- **Illinois:** Collectively, these impacts are placing strain on the entire homeless response system. Slower housing placements, cautious program operations, and diminishing landlord participation are already contributing to longer lengths of stay in shelter, reduced flow through coordinated entry, and increased pressure on emergency and crisis services.
- **Massachusetts:** One subrecipient, who administers more than half of the City's PSH portfolio, has declared they will not continue administering the program due to the uncertainty and are not reapplying for funding.
- **Illinois:** The ongoing uncertainty has placed significant strain on system capacity. In order to focus limited staff time on housing stability and mitigation efforts, the CoC has made the decision not to hold an unsheltered Point-in-Time count this year.

- **Washington:** These conditions have forced some projects to slow implementation, delay decision-making, or divert resources away from direct service delivery simply to remain compliant. Overall, the uncertainty and rapidly shifting expectations associated with the FY2025 NOFO have undermined operational stability, strained provider capacity, and eroded confidence across the system—impacting not only agencies and staff, but also landlords and, most critically, the residents who rely on CoC-funded housing and services.
- **Missouri:** The lack of clarity around timelines and award notifications is creating financial risk for organizations, particularly smaller nonprofit providers with limited cash reserves. Providers are concerned about their ability to bridge potential funding gaps, cover payroll, and maintain leases or service contracts during prolonged delays. As a result, some organizations are questioning whether they can responsibly continue to rely on CoC funding as a primary funding source, which raises concerns about long-term system stability and provider retention. Landlords, property owners, and other community partners in [our Continuum of Care] are beginning to express reluctance about continuing partnerships due to perceived instability in CoC funding.
 - Projects within our CoC are already beginning to slow or modify operations due to uncertainty around the timing of the FY2025 CoC NOFO and award announcements. Several providers are delaying new hires, freezing vacant positions, and postponing program expansions or service enhancements because they cannot confidently project funding continuity. Some projects are limiting new participant enrollments or increasing waitlists in order to conserve resources and ensure they can meet existing obligations if funding decisions are delayed. This operational caution is directly impacting system throughput and reducing the CoC's overall capacity to respond to homelessness in real time.