Briefer: Congressional & Federal Homelessness Responses

What is the Role of Congress in Ending Homelessness?

McKinney Vento Act: In 1987, Congress passed the McKinney Vento Act, the first significant federal legislative response to homelessness. In 2009, Congress substantially reauthorized and amended the law through the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. These changes modernized and streamlined the Department of Housing and Urban Development's (HUD) provision of homelessness assistance from an emphasis on managing homelessness toward preventing it and rapidly rehousing people. The Act establishes two backbone programs of HUD's homelessness assistance funding:

- The Continuum of Care Program (funded at $4.010 billion in FY26) is a competitive grant program that funds nearly 7,000 grants to nonprofit providers and local governments administered by each area's regional planning body: the Continuum of Care (CoC). CoCs collaboratively submit a community-wide application for federal funding, facilitate a coordinated effort to respond to homelessness, collect and report data to HUD via the Homeless Management Information System (HMIS), and conduct the annual Point in Time Count (PIT). The CoC program specifically funds:
    - Permanent supportive housing for people with disabilities
    - Rapid rehousing to help people, including families with children, quickly move into housing
    - Street outreach and other supportive services to connect people to care
    - Coordinated entry to connect people to appropriate housing and services
    - Data infrastructure to track the results
- The Emergency Solutions Grants Program (funded at $290 million in FY26) is a formula grant providing funding to states and localities to support emergency shelters, provision of essential services, re-housing of homeless individuals and families, and homelessness prevention.

How Does HUD Administer Federal Continuum of Care Funding?

Promoting Proven Housing Solutions: Consistent with Congressional direction given in the HEARTH Act to incentivize activities proven effective at reducing homelessness, HUD since 2013 has emphasized permanent housing strategies: permanent supportive housing (PSH) and rapid re-housing (RRH) through its annual Notice of Funding Opportunity (NOFO) application cycle.

Maintaining Predictability to Keep People Stably Housed: Each year, CoCs conduct local funding competitions to determine priorities for federal funding. They determine which projects to submit to HUD for funding and rank them in order. Projects ranked within "Tier 1" are considered safe and will be renewed provided they meet all minimum requirements. Projects ranked in "Tier 2" competitively compete nationally with the remaining funding for new projects based on priorities identified by HUD. Historically, Tier 1 has been set at 85% or higher to ensure stability for CoCs and the people they serve.

Monitoring Performance and Ensuring Accountability: At both the community and federal levels, recipients of CoC funding are subject to multiple layers of financial, programmatic, and performance oversight to maximize the impact of limited federal dollars. For example, local HUD field offices are equipped to perform additional risk-based monitoring and compliance reviews. And to better understand local trends, HUD annually collects data on every CoC's System Performance Measures to track successful client exits from temporary programs to permanent housing, the number of people experiencing homelessness for the first time, returns to homelessness, and other metrics.