



## **HSU STATEMENT ON HUD'S FY2025 CONTINUUM OF CARE (COC) CHANGES**

Homeless Services United (HSU) is deeply concerned about the sharp policy shift announced in the Department of Housing and Urban Development's (HUD) FY2025 CoC Notice of Funding Opportunity (NOFO), which would destabilize community infrastructure and put thousands of households at risk of losing their housing.

HSU calls on HUD to: (1) honor the two-year CoC cycle already appropriated by Congress, (2) lift the 30% cap on permanent housing, (3) restore renewal stability so communities don't lose core capacity, and (4) work with Congress on a narrowly tailored interim renewal to prevent housing loss while policy is reviewed.

Congress authorized a two-year CoC funding cycle to give communities stability, yet HUD has issued a new competition late in the year—creating avoidable delays that local governments and providers warn will lead to grant lapses, staff cuts, unpaid rents, and service interruptions. These moves also undermine local control. National county, city, and mayoral groups have urged HUD to renew current grants and avoid abrupt, top-down reallocations that push communities toward short-term, conditional models at the expense of proven permanent housing.

Supportive housing works—and unraveling it now will be costly. Leading housing organizations warn that the NOFO’s changes threaten public-private investments and place well over 100,000 households at risk of losing stable homes. Congress should act quickly to preserve existing CoC contracts for 12 months while a thoughtful review proceeds.

In New York City, where HSU’s members operate shelters, supportive housing, outreach, and health services, additional federal uncertainty compounds an already fragile funding environment. This comes in the middle of a housing crisis where New York City shelters are already housing as many as 125,000 New Yorkers a night, and there is a lack of truly affordable housing stock as an alternative. The City and State must be prepared to backstop life-sustaining services if federal awards are delayed or reduced.

“Every percentage point pulled from permanent housing is a person’s home on the line,” said Kristin Miller, Executive Director of HSU. “Our members build effective, locally accountable systems around supportive housing. Abrupt, mid-cycle changes risk evictions, service closures, and severe gaps in care. We need stability now, not a forced reset.”

HSU remains ready to partner with HUD, Congress, and NYC to protect housing stability and keep our neighbors safely housed.