Congress of the United States Washington, DC 20515

May 23, 2025

The Honorable Steve Womack Chairman Subcommittee on Transportation, Housing and Urban Development, and Related Agencies 2358-A RHOB Washington, DC 20515 The Honorable James E. Clyburn Ranking Member Subcommittee on Transportation, Housing, and Urban Development, and Related Agencies 2083 RHOB Washington, DC 20515

Dear Chairman Womack and Ranking Member Clyburn:

As you develop the Fiscal Year 2026 (FY26) Transportation, Housing, and Urban Development (THUD) appropriations bill, we strongly urge you to provide \$4.922 billion for the Department of Housing and Urban Development's (HUD) McKinney-Vento Homeless Assistance Grants (HAG) program, which includes \$4.422 billion for Continuum of Care (CoC) Grants and \$500 million for Emergency Solutions Grants (ESG).

HAG funds are critical to supporting a myriad of people vulnerable to experiencing homelessness, including older adults, families with children, including those in peril or threatened with eviction, as well as victims of domestic violence. Additional funding will help keep up the progress being made across our nation in combatting homelessness and continue to support the nonprofits, community action programs, and faith-based groups that partner with state and local governments through these McKinney-Vento programs. Increased funding will also help ensure that these partners can continue to recruit and retain front-line homelessness service workers who are critical to the success of these efforts.

According to HUD's 2024 Annual Homeless Assessment Report (AHAR) to Congress, 771,480 individuals were homeless across our nation on any given night, which is roughly 23 of every 10,000 people in the United States. Homelessness among families with children, individuals, individuals with chronic patterns of homelessness, people staying in unsheltered locations, people staying in sheltered locations, and unaccompanied youth all reached the highest recorded

¹ The 2024 Annual Homelessness Assessment Report (AHAR to Congress) Part 1: Point-In-Time Estimates of Homelessness, December 2024

rates in 2024.² Additionally, approximately 150,000 children experienced homelessness on a single night in 2024, reflecting a 33 percent increase from 2023.³

The combination of a nationwide shortage of affordable housing and higher rent prices is leaving millions of Americans vulnerable to homelessness. To combat this, state and local governments depend on McKinney-Vento programs like the Continuum of Care (CoC) and the Emergency Solutions Grant (ESG) programs. HUD's CoC and ESG programs are used successfully by state and local governments, as well as an extensive network of providers of shelter and housing services, to reduce homelessness.

The CoC and ESG programs fund services for people at risk of, and currently experiencing homelessness, including the development and operation of shelters, outreach efforts to identify unsheltered homeless families and individuals, rapid rehousing (RRH), permanent supportive housing (PSH), and homelessness prevention. RRH emphasizes housing search and relocation services, and short- and medium-term rental assistance to move homeless families and individuals (with or without a disability) as rapidly as possible into permanent housing. PSH is housing assistance paired with supportive services, formulated to assist homeless persons with a disability, or families with a disabled adult, achieve housing stability.

For over a decade, federal policy has emphasized the effectiveness of Housing First, an evidence-based, system-wide approach to homelessness. This approach connects people back to a home as quickly as possible, while making readily available the wraparound services (case management, counseling, healthcare, substance use treatment, job training, etc.) that people may need to be stable and secure. Housing First is the best way to permanently house people, put them in a position to address any underlying issues, and help communities avoid costs associated with homelessness, including law enforcement, emergency healthcare, and corrections costs.

Therefore, we request the following:

- 1. We ask that you support \$4.922 billion for the McKinney-Vento Homeless Assistance Grants program, including \$4.422 billion for Continuum of Care (CoC) Grants and \$500 million for Emergency Solutions Grants (ESG), in the House version of the Fiscal Year 2026 Transportation, Housing, and Urban Development Appropriations bill.
- 2. We ask that you include the following report language in the Transportation, Housing, and Urban development Appropriations bill.

The establishment of a two-year competition period for FY24 and FY25 in the FY24 Consolidated Appropriations Act was a remarkable bipartisan accomplishment that

³ Ibid

² Ibid

allows Continuums of Care to use FY25 to focus resources exclusively on the prevention and reduction of homelessness. We urge the Transportation-HUD Appropriations Subcommittee to work with the Secretary to ensure adherence to the terms of the two-year Notice of Funding Opportunity (NoFO). The CoC competition is a huge administrative undertaking and requiring communities to unexpectedly conduct another competition would be unduly burdensome. The development, administration, and scoring of a NoFO also places considerable demand on HUD staff, which could lead to unnecessary delays in distributing FY25 awards.

3. We ask that you include the following report language in the Transportation, Housing, and Urban development Appropriations bill.

The FY25 Continuing Resolution underfunded the Homeless Assistance Grants program, and the program's appropriation of \$3.457 billion did not keep up with the cost of inflation. The resulting shortfall of \$150-200 million means at least 18,500 households will lose the housing assistance and supportive services that allowed them to stave off homelessness. We urge the Transportation-Housing and Urban Development Appropriations Subcommittee to work with the Secretary to ensure that individual Continuum of Care providers (CoCs) are allowed to decide how to absorb the shortfall. CoC leaders across the nation are familiar with their programs and their communities, and they are in the best position to decide how to adjust services in order to minimize the pain of this critical funding shortfall.

Thank you for considering this important request and for your continued leadership in helping to prevent and end homelessness in the United States.

Sincerely,

Gwen S. Moore

Member of Congress

Don Bacon

Member of Congress

Emanuel Cleaver, II

Member of Congress

Greg Casar

Member of Congress

Ritchie Torres

Member of Congress

Nydia M. Velázquez

Luay MCBath Kell William R. Keating Lucy McBath Delia C. Ramirez Member of Congress Member of Congress Member of Congress **Eleanor Holmes Norton** Ilhan Omar Scott H. Peters Member of Congress Member of Congress Member of Congress Donald S. Bever Jr. Gerald E. Connolly Member of Congress Member of Congress Member of Congress Patrick K. Ryan LaMonica McIver Member of Congress Member of Congress Member of Congress Julia Brownley Linda T. Sánchez Member of Congress Member of Congress Member of Congress

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