

Federal Shifts, Local Impacts on Homelessness: What's Happening Now and What's Ahead

September 22, 2025



A stronger Illinois begins at home

Agenda

- Welcome and Overview
- Part 1: Federal presence preparation in the Chicago area and takeaways/resources for other communities
- Part 2: Federal Budget and Policies
 - Overview of where things stand with federal budget/policies on homelessness priorities
 - Updated Advocacy with IL Congressional Delegation and National Organizations
 - Finding from Survey of Public Housing Authorities on Housing Choice Vouchers
- Resources, Closing and Next Steps

Speakers

- Colleen Mahoney, Assistant Director, Office to Prevent and End Homelessness, State of Illinois
- Sendy Soto, Chief Homelessness Officer, City of Chicago
- Carolyn Ross, President & CEO, All Chicago
- Doug Schenkelberg, Executive Director, Chicago Coalition to End Homelessness
- Andre Gordillo, Director of Family Support Network, Illinois Coalition for Immigrant and Refugee Rights
- Bob Palmer, Policy Director, Housing Action Illinois
- Foluke Akanni, Housing Policy Organizer, Housing Action Illinois
- Megan Yerger, Housing Policy Organizer, Housing Action Illinois

TIMELINE



May 2
President released FY26 budget proposal; Requested cuts and consolidation of homeless grants, including ending PSH program

July 24
Presidential Executive Order "Ending Crime and Disorder on America's Streets" signed

August 22
Early reporting on possible National Guard deployment to Chicago

September 5
HUD releases CoC Builds Program NOFO

July 13
US House of Representatives released THUD appropriations bill; Does not include homelessness program consolidation or massive cuts

August 11
President EO Declaring an Emergency in DC; Orders National Guard to Washington DC; Sweeps on homeless encampments begin

August 30
Mayor Johnson signs Executive Order regarding federal troops coming to Chicago

September 8
"Operation Midway Blitz" announced

HOMELESSNESS RESPONSE



- Beginning week of 8/25, daily coordination calls b/t City, County, State, Continuum lead and other system leaders
- Primary pillars of homelessness response
 - Targeted street outreach based on vulnerability and education
 - Expanded shelter bed capacity, in coordination with outreach
 - Housing investment to support system capacity

TAKEAWAYS



- Strong local systems and partnership enable nimble responses
- No part of our systems operates in silos- for example, the success of street outreach, shelter and housing and the capacity of each are interrelated
- Have an agency policy guiding how staff should respond to federal immigration enforcement officials onsite and include this as a part of routine training
 - See National Homelessness Law Center resource:
<https://homelesslaw.org/wp-content/uploads/2025/01/ICE-Guidance.pdf>
 - Chicago Coalition to End Homelessness [resource](#).
- Make Know Your Rights information related to homelessness and immigration available to all clients

STAY IN TOUCH



Stay in touch with the Illinois Office to Prevent and End Homelessness at:

- Email us at homeless.office@illinois.gov
 - We want to hear from you. Please let us know of any federal changes affecting your organization, such as changes to grant terms, incentives, or any other requirements by emailing us.
- Visit us at Endhomelessness.illinois.gov
- Sign up for our newsletter at <https://mailchi.mp/illinois/opeh-comms-signup>

Roads to FY 26 Budget

Roads to Federal Funding

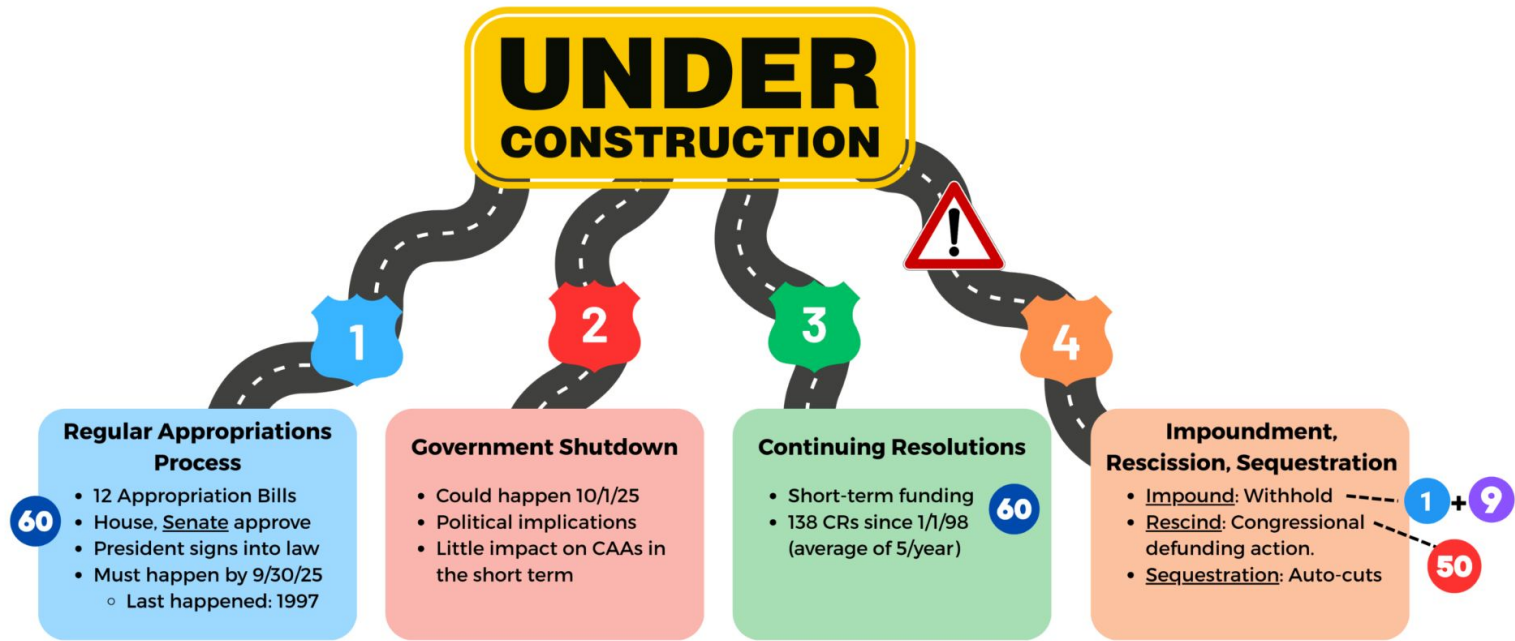


Image borrowed from Illinois Association of Community Action Agencies

Latest Budget Updates

- After failing to pass, a bipartisan Continuing Resolution (CR) on Friday, September 19, Congress is now on a week-long recess without having agreed to a bill to continue funding the government past the September 30 end of FY25.
- A Republican drafted CR passed the House and failed in the Senate.
- The CR that Democrats introduced and was voted on in the Senate failed, included numerous important provisions, including:
 - Reverses Medicaid cuts that passed earlier this year in the reconciliation bill.
 - Requires that HUD renew all existing Continuum of Care grants for homeless services expiring during calendar year 2026 for one 12-month period.

Senate and House Budget Proposals

- On July 24, the Senate Approps committee approved their FY26 THUD budget proposal with bipartisan support.
- Overall, the bill provides \$73.3 billion for HUD, a modest increase.
- Senate funding level is much more than the \$67.8 billion allocated to HUD in the House's spending bill and the 44% cut to HUD proposed by the Trump administration.
- The Senate bill rejects harmful and misguided policy proposals by the Trump administration and largely preserves funding for programs that were severely cut or eliminated by the Trump administration and/or the House, including housing counseling, fair housing, HOME and others.
- Funding levels in the Senate bill are still inadequate to maintain all existing Housing Choice Vouchers, renew all existing CoC projects at an adequate level, cuts funding for public housing and has no funding to maintain the Emergency Housing Voucher Program, which is currently assisting more than 1,800 Illinois households.

FY26 Budget Chart for Selected Federal Housing Programs

July 25, 2025



HUD Programs <i>(set asides italicized)</i> <i>(In millions)</i>	FY25 Final	FY26 President	FY26 House	FY26 Senate	FY26 Final
Tenant Based Rental Assistance	36,048	0	35,268	37,354	
<i>Contract Renewals</i>	32,145	0	32,145	33,974	
<i>Tenant Protection Vouchers</i>	337	0	375	429	
<i>Administrative Fees</i>	2,771	0	1,975	2,906	
<i>Section 811 Mainstream Vouchers</i>	743	0	743	0	
<i>Veterans Affairs Supportive Hsg Vouchers</i>	0	0 [*]	0 [*]	15	
<i>Tribal Veterans Affairs Supportive Housing Vouchers</i>	7.5	10 [*]	10	10	
<i>Family Unification</i>	30	0	30	30	
<i>Housing Mobility Services</i>	0	0	0	0	
<i>Incremental Vouchers</i>	15	0	0	0	
State Rental Assistance**					
<i>State Rental Assistance Block Grant</i>	N/A	31,787	N/A	N/A	
<i>Foster Youth to Independence Grants</i>	--	25	--	--	
Public Housing					
<i>Capital Fund</i>	3,410	0	2,286	3,200	
<i>Emergency/Disaster Grants</i>	30	0	30	30	
<i>Residential Health Hazards Grants</i>	0	0	0	65	
<i>Operating Fund[†]</i>	5,501	0	5,000	5,087	
Moving to Work	0	0	0	0	
Choice Neighborhoods Initiative	75	0	0	40	
Self-Sufficiency Programs					
<i>Family Self-Sufficiency</i>	141	0	125	156	
<i>Jobs-Plus Pilot</i>	15	0	15	10	
NAHASDA					
<i>Indian Housing Block Grant</i>	1,111	872	1,111	1,111	
<i>Competitive Grants</i>	150	0	150	100	
Native Haw. Hsg Block Grants	22	0	18	22	
Hsg. Opp. for Persons with AIDS	505	0	505	529	
Community Development Fund	3,430	0	5,642	4,541	
<i>Formula Grants</i>	3,300	0	3,300	3,100	
<i>Economic Development Initiative (earnmarks)</i>	0	0	2,312	1,351	
<i>PRO-Housing Competition</i>	100	0	0	60	
HOME Investment Partnerships	1,250	0	0	1,250	
PRICE Competitive Grants	10	0	0	10	
Self-Help Homeownership Opportunity	12	0	9	13	
Homeless Assistance Grants	4,051[†]	4,024	4,158	4,530	
Project-Based Rental Assistance	16,890	0	17,127	17,404	
Hsg. for the Elderly (202)	931	0	950	972	
Hsg. for Persons w/Disabilities (811)	256	0	262	265	

HUD Programs <i>(set asides italicized)</i> <i>(In millions)</i>	FY25 Final	FY26 President	FY26 House	FY26 Senate	FY26 Final
Housing Counseling Assistance	57.5	0	0	57.5	
Policy Development & Research	119	95	95	131	
<i>Eviction Protection Grant Program</i>	20	0	0	15	
Fair Hsg. & Equal Opportunity	86	26	29	86	
Healthy Homes & Lead Hazard	345	0	296	296	
USICH	4	0	0	2	

* The spending proposal includes funding provided through HUD's Operating formula, plus funding allocated for a need-based grant

† Language in the FY25 Continuing Resolution (CR) provides the HUD Secretary the authority to "repurpose funds made available under" the Continuum of Care (CoC) Builds program "to provide additional amounts for the CoC program"

** The Trump Administration's FY26 budget request proposes combining the Housing Choice Voucher program, Public Housing, Project-Based Rental Assistance, and the Section 811 and Section 202 programs into the State Rental Assistance Block Grant program

† The Trump Administration's FY26 budget request provides \$10 million, "available until expended, for noncompetitive grants to recipients that received a Tribal HUD-VASH grant in prior years," and transfers control of the VASH program from HUD to the Department of Veterans Affairs for the creation of a new "Bridging Rental Assistance for Veteran Empowerment" (BRAVE) program, funded at \$1.1 billion. The House FY26 budget would fund the BRAVE program at \$970 million in its FY26 Military Construction & Veteran Affairs spending bill.

Impact of Government Shutdown

- Each federal agency develops its own shutdown plan, identifying which government activities may not continue until appropriations are restored, requiring furloughs and the halting of many agency activities.
- Most federal employees are required to stop work. A limited number of employees can keep working based on their job description.
- Services classified as essential and mandatory spending that is not subject to annual appropriations (such as for Social Security, Medicare, and Medicaid) should continue.
- Programs funded through advanced appropriations, such as funding that has been awarded in previous fiscal years, have been minimally affected during recent shutdowns.
- In past shutdowns HUD has made previously obligated funds (e.g., for CDBG, HOME, HOPWA, Homeless Assistance Grants) available for draw down by grantees.

Executive Order on Homelessness

- President Trump's July 24 Executive Order "Ending Crime and Disorder on America's Streets":
 - Attacks Housing First, an evidence-based approach to ending people's homelessness by prioritizing their most essential need first—the need for housing.
 - Includes provisions counter to harm reduction, a public health strategy that reduces the health risks involved for people who use drugs or alcohol.
 - Calls for forced institutionalization by reversing federal or state judicial precedents (such as *Olmstead v. L.C.*) allowing people to be involuntarily committed into long-term, institutional settings under the guise of promoting public safety.
 - Supports elimination of fundamental privacy protections for people experiencing homelessness by giving federal law enforcement the power to access personal health records via local nonprofit organizations.
- **Important:** The EO does not change any laws or programs, including requirements for federally funded homeless service providers or eligibility for people receiving federally funding services. Providers should not make any program or service changes based on the EO.

Problems with CoC Builds NOFO

- On September 5, HUD released a \$75 million Continuum of Care (CoC) Builds Notice of Funding Opportunity (NOFO), which is an attempt to implement the requirements of the July 24 EO and other harmful provisions.
- Problematic provisions in the NOFO include, but are not limited to:
 - An applicant must currently provide and require participation in full-time and on-site supportive services—rejecting the evidence that services are most effective when they are voluntary. “Full-time” and “on-site” also suggest institutional settings, not housing.
 - The applicant cannot engage in certain “harm reduction” approaches associated with treatment for substance abuse.
 - The city, county, or state in which the project will be located must:
 - Prohibit public camping, i.e., have ordinances criminalizing homelessness.
 - Cooperate with federal immigration enforcement.
 - An applicant does not and will not promote the notion that sex is a chosen or mutable characteristic.
- On September 11, Senators Murray and Gillibrand Democrats sent a letter to the HUD Inspector General calling for an investigation to determine if HUD’s actions circumvented federal statutes, especially as HUD provided just 7 days to apply to to NOFO with many new policy changes.

Court Challenge to CoC Builds NOFO

- On September 13, the U.S. District Court for the District of Rhode Island granted a temporary restraining order (TRO) in the case of *National Alliance to End Homelessness v. Turner, et al*, halting HUD's unlawful restrictions on federal housing funding through the CoC Builds program.
- The TRO is not a final decision, but as the case proceeds in court, the order ensures that providers and communities will not be barred from competing for funding simply because they are in jurisdictions that don't adopt the administration's ideological agenda, while the litigation continues.

Status of FY25 CoC Funding NOFO

- HUD's annual CoC Funding NOFO is the principal source of federal funding for communities across the nation to prevent and end homelessness.
- Through the FY24 NOFO, HUD awarded more than 3.6 billion for permanent supportive housing and other projects that support CoCs.
- Illinois 19 CoCs received \$182.5 million in grant awards through the competition, which helps support people living in 14,197 federally-funded permanent supportive housing units.
- In 2023, Congress gave HUD the ability to make the FY24 CoC NOFO a two-year competition, awarding the funding in FY24 and renewing it in FY25.
- On July 3, 2025 HUD sent a notice to CoCs and others that HUD intends to publish a NOFO for FY25. As of today, the NOFO still has not been released.
- Many appeals are being made to HUD and Congress to renew FY24 CoC awards for FY25.
- The Democrat's proposed CR does include a provision requiring that HUD renew all existing Continuum of Care grants for homeless services expiring during calendar year 2026 for one 12-month period.

Issues in Other Housing Sectors

- The issues being faced in the CoC Program for Homeless Services are just examples of overall problems with HUD funding programs. For example:
 - Fair Housing
 - Much previously awarded and contracted fair housing funding to nonprofit organizations was terminated earlier this year, in February, by DOGE and subsequently restored, in March, through litigation.
 - A July 26 court decision granted a Temporary Restraining Order in lawsuit against HUD for withholding fair housing funds that have not yet been awarded.
 - A NOFO was subsequently released, with many differences from previous NOFO. The deadline to apply was August 21. No award announcements have been made yet.
 - Housing Counseling
 - No issuance of FY25 Housing Counseling Program NOFO yet. The Trump administration budget zeroed out funding for this program for FY25. Thankfully, the Senate version provides flat funding.

Other Housing Policy Concerns (Partial List)

- In March, HUD announced that it is partnering with the Department of Homeland Security to help identify immigrants without legal status living in publicly subsidized housing. However, this announcement did not actually change any current law or policy immigration status eligibility to live in HUD assisted housing.
- July 2025 reintroduction of proposed changes to HUD mixed status household rule (similar or worse to what was proposed during first Trump administration). HUD sent notice of proposed rulemaking on July 16.
- July 2025 HUD notice of proposed rulemaking that seems to be focused on making easier for PHAs and others entities to impose time limits and work requirements.
- August 4 HUD notice of soon to be published final rule that is likely to roll back the Fair Housing Acts disparate impact standard. HUD did not provide any opportunity for comment on the rule. Disparate impact protections help remove unfair barriers that don't have a legitimate purpose and are discriminatory.

Report on NAEH Virtual Capitol Hill Day

- For the September 17 NAEH Virtual Capitol Hill Day, there was representation from 120+ advocates across Illinois, sharing the asks and needs of our homeless response systems regarding:
 - FY26 Funding Housing Assistance Grants
 - Funding for Emergency Housing Vouchers
 - 2025 CoC NOFO Concerns
 - Support for the Road to Housing Act
- Spoke with 15 of the 19 Illinois' Congressional members and/or their staff.
- Alliance to End Homelessness in Suburban Cook County, Housing Action Illinois and Supportive Housing Providers Association coordinated the Illinois effort.

IL Congressional Delegation

- 2 Dem Senators, 17 House Members (14 Dems and 3 Repubs)
- Sen. Durbin is on Appropriations Committee/THUD Subcommittee
- Rep. Quigley is on Appropriations Committee/THUD Subcommittee
- Rep. Underwood is on Appropriations Committee
- Reps. Davis, LaHood and Schneider are on Ways and Means Committee
- Reps. Casten and Foster are on Financial Services Committee
- Rep. Ramirez is on Homeland Security Committee and Veterans' Affairs Committee
- Rep. Krishnamoorthi is on Oversight Committee
- Rep. Bost is on Veterans' Affairs Committee

Members of Congress: Select Public Actions

- Rep. Krishnamoorthi spoke about personal experience living in public housing as a child at Citizen Action/Illinois press conference, 2/25/25
- Reps. Davis and Jackson spoke at “Hands Off HUD” Press Conference in DC, 3/3/25
- Rep. Ramirez, Housing Advocates Say “Hands Off” Affordable Housing, Press Release and Press Conference, 4/24/25
- Every IL Democratic House member signed the Dear Colleague letter in support of increased funding for Homeless Assistance Grants or Emergency Housing Vouchers, May and June
- Rep. Quigley Hammers HUD Secretary on Trump Cutting Housing by 50%, Press Release, 6/10/25
- Senate Appropriations Committee Advances THUD Funding Bills With Illinois Priorities Secured By Durbin, Duckworth, Press Release, 7/25/25
- Congresswoman Ramirez Slams Trump’s Efforts to Criminalize Neighbors Impacted by Homelessness, Substance Abuse, Press Release, 7/27/25

Members of Congress: Select Public Actions

- From Rep. Mike Quigley's press release after June 10, 2025 House THUD Appropriations Subcommittee hearing with HUD Secretary Scott Turner:

“Mr. Secretary, you have to understand: housing is everything. These people will die. There’s no way you can believe a 50% cut won’t put people on the street,” said Quigley during the hearing. “What’s the detailed plan to ensure those people won’t be put on the street?”

Secretary Turner responded that his HUD would be “more effective and more efficient.” However, when pressed by Quigley for details on how he would prevent homelessness, the Secretary provided none.

Housing Action Illinois Not Even a Place in Line Report: Findings

- Our August-September 2025 survey and research of Illinois' Public Housing Authorities (PHAs) shows that, out of the 64 PHAs that administer nearly 100,000 Housing Choice Vouchers around the state, 46 have a closed voucher waitlist.
- According to data from the US Department of Housing and Urban Development (HUD), 95% of the total vouchers in Illinois are administered by PHAs with closed waitlists. The few open waitlists are generally in rural communities with very limited voucher capacity.
- The result is stark: most Illinoisans in need of affordable housing are not even able to get in line for the federal government's primary rental assistance program.
- **Read the report at <https://bit.ly/HAIHCVBlog>.**

Housing Action Illinois Not Even a Place in Line Report: Findings

- Of the 23 PHAs with a Housing Choice Voucher program that responded to our survey:
 - 8 responded that they are experiencing funding shortfall;
 - 9 believe they could experience a shortfall before the end of the PHA's fiscal year; and
 - 6 responded they are not currently experiencing a shortfall.
- Increasing rents in the private market and inadequate funding from Congress are two factors contributing to shortfalls.
- HUD does not have limited funding to help PHAs address shortfalls.
- However, when a PHA experiences a shortfall they are required to stop issuing new vouchers, which can contribute to a reduction in households served over time.

Housing Action Illinois Not Even a Place in Line Report: Recommendations

- Provide full funding to cover existing HCV contracts to ensure that families who rely on HCVs continue to live in affordable homes and reduce their risk of homelessness. This would require \$35.65 billion, compared to the \$32.1 billion allocated by the House and \$34 billion provided by the Senate.
- Continue Fund the Emergency Housing Voucher Program, so to maintain the capacity to serve about 59,000 households nationally, including more than 1,800 in Illinois.
- Fully fund the HCV Administrative Fee Account at \$3.4 billion to enable PHAs to provide effective assistance to voucher holders. Current year funding is only \$2.8 billion. The House budget significantly cuts funding to slightly less than \$2 billion, while the Senate provides a modest increase to \$2.9 billion

One Local Emergency Housing Voucher Testimonial

- This is just one of the more than 1,800 households in Illinois that have relied on this program to gain stability:

“[Our voucher program has helped] a family of six [who] fled from their previous residence in fear for their lives and for safety to escape from a violent abusive partner. The family was provided emergency shelter for a few weeks and a housing program while they recovered from traumatic events. The survivor family used their time in the emergency housing voucher program to get through one of the most challenging years of their life, including the loss of close family members, financial difficulties and navigating accessibility challenges in the suburbs. The program provided essential support such as rental assistance and utilities, along with some financial assistance from other grants, that strengthened the family’s capacity to succeed in pursuing educational aspirations of the children and parents, as well as to gain employment.”

Take Action and Resources

- Protecting Chicago: <https://chicago.gov/protect>
- Know Your Rights as an Unsheltered Person: <https://chicagohomeless.org/outreach>
- Illinois Immigration Information HUB: <https://www.illinoisimmigrationinfo.org>
- Illinois Coalition for Immigrant and Refugee Rights: <https://www.icirr.org/>

- Protect Federal Housing Resources–Time is Running Out–Contact your members of Congress: <https://bit.ly/FedHsg0825>
- National Housing Appropriations Sign-On Letter for Organizations: <https://nlihc.quorum.us/campaign/81477/>
- National Alliance to End Homelessness Weekly Updates: <https://endhomelessness.org/blog/>

- If you need help to avoid or end homelessness: <https://housingactionil.org/get-help/resources-homeless/>

- Join the Housing Action Illinois Policy Advocacy email list: <https://housingactionil.org/lists>

Additional Resources and Links

- Email Illinois Office to Prevent and End Homelessness (OPEH) at homeless.office@illinois.gov
- Sign up for OPEH's newsletter at <https://mailchi.mp/illinois/opeh-comms-signup>
- RFP for RRH/PSH providers to create housing in the City of Chicago: <https://allchicago.org/continuum-of-care/coc-programs>. Applications are due by 5:00 PM on Friday October 3, 2025.
 - Email for information about the RFP: cocprograms@allchicago.org
- Chicago CityKey FAQ: <https://www.chicityclerk.com/about-citykey/citykey-faq>

Additional Resources and Links

- ICIRR Eyes on ICE text alert system and receive timely updates about ICE activity in your neighborhood:
<https://icirr.quorum.us/campaign/ileyesonice/>
- ICIRR Rapid Response Trainings links:
 - English - Weekly:
https://zoom.us/webinar/register/WN_VL_iwq0yQD6amZuuoAti4
 - Spanish - Weekly:
https://zoom.us/webinar/register/WN_IWfI8yHHQbKeWxqRuau-5w
 - Know Your Rights - English and Spanish
https://zoom.us/webinar/register/WN_EtIOT2xcT564IX2k8PHucg

Join Us

Become a Member of Housing Action Illinois

Join **200+** organizations united to advance quality, affordable housing for all.

- Significant discounts for our annual Housing Matters conference
- Access to valuable capacity building initiatives, including eligibility to host an AmeriCorps VISTA Member
- One-on-one guidance from our housing counseling experts
- ... and more benefits!

Our members include nonprofits, government agencies, and corporations united by the vision of an Illinois where everyone has a good, stable place to call home.

Trainings & Events

- Our Housing Action Training Center brings a robust lineup of trainings for nonprofit housing professionals, with a specific focus on education housing counselors.
- We host an annual conference, annual benefit, member events, webinars, and gathers to educate participants about key housing issues and policy campaigns.

Join us at <https://housingactionil.org/join-us/>.



2025 Housing Matters Conference

Each year, we bring together as many as 350 housing professionals who care about expanding and protecting affordable housing and ending homelessness in Illinois.

Together, we build expertise, experience, and the capacity to make our communities better.

October 16-17, 2025

**DoubleTree by Hilton
Bloomington, IL**

Join us to spark connections, get the latest updates, and share ideas as we work together to create an Illinois where everyone has a good, affordable home.

Get more info at <https://housingactionil.org/conference>

