

## FOR IMMEDIATE RELEASE

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### **Housing Advocates Urge HUD to Avoid Forcing Thousands of Illinoisans into Homelessness**

*In a letter to Secretary Scott Turner, advocates outline importance of maintaining funding for housing programs*

**CHICAGO, Ill.** — Yesterday, nearly 300 groups from across Illinois sent a [letter](#) to U.S. Department of Housing and Urban Development (HUD) Secretary Scott Turner urging the Department to renew existing grants in order to prevent a harmful gap in funding of housing and services for people who have experienced homelessness. Signatories include a diverse cross-section of stakeholders comprised of housing providers and advocates, health and disability rights groups as well as faith-based organizations and others.

The letter, led by Thresholds and Housing Action Illinois, responds to reports that HUD would issue a new Notice of Funding Opportunity (NOFO) for Continuum of Care (CoC) awards — instead of renewing existing grants for another year. The [NOFO](#) for fiscal year 2025 was not released until the evening of November 13, even though the fiscal year ended on September 30. The deadline to apply is January 14, 2026.

Existing awards have various end dates in 2026. Some will begin to expire as soon as the end of January next year, creating a funding gap that will threaten the ability of agencies to continue providing housing and services.

Based on the [2024 HUD Point in Time Count](#), on any given night, **nearly 26,000 Illinoisans are experiencing homelessness**. This includes more than 7,200 children, over 2,800 survivors of domestic violence, nearly 700 seniors, and more than 550 veterans. Because of the lack of affordable housing — the [root cause](#) of homelessness — even more people are doubled up or otherwise do not have a home of their own.

“Existing federal grants start to expire early in 2026. At this late date, there is no way the federal government can undertake a brand-new funding competition without causing a monthslong gap between the end of many existing awards and the beginning of new funding,” said Bob Palmer, Policy Director for Housing Action Illinois.

For several weeks, there have been [reports](#) that the NOFO would be a vehicle for fast-tracking a dramatic restructuring of the program, including a 30% cap on the funds that can be used for Permanent Supportive Housing (PSH) and other permanent housing, which is in the released NOFO. Currently, more than 80% of federal CoC funding in Illinois is used for these purposes—an evidence-backed, market-based approach to ending homelessness that also generates economic activity in the form of rent to property owners and on-site services.

“Rather than making drastic changes to the CoC program with no input from stakeholders or Congress, we urge HUD to renew existing grants for one more year as authorized by Congress to prevent a devastating gap. This will keep our community members safely, stably housed, and avoid pushing them back into homelessness,” said Mark Ishaug, President and CEO of Thresholds, one of the state’s largest providers of permanent supportive housing.

The CoC Program has longstanding bipartisan support. [Illinois’ 19 CoC networks](#) provide the foundation for local efforts to prevent and end homelessness, currently supporting more than 21,400 people maintaining permanent housing across the state, as well as more than 27,000 emergency and transitional beds. Across Illinois, federal CoC funding currently supports more than 330 CoC grants, totaling approximately \$182.5 million, to nonprofit and local government agencies.

The National Alliance to End Homelessness [estimates](#) that 60% of all permanent supportive housing in Illinois is federally funded, although in many downstate and rural communities, the percentage is much higher.

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### **About Thresholds**

*Founded in 1959, Thresholds provides healthcare, housing, and hope for thousands of persons with mental illnesses and substance use conditions in Illinois each year. Through care, employment, advocacy, and housing, Thresholds assists and inspires people with mental illnesses to reclaim their lives. Learn more about Thresholds at [thresholds.org](https://thresholds.org).*

### **About Housing Action Illinois**

*Housing Action Illinois has been leading the movement to end homelessness, address the shortage of affordable rental housing, and expand homeownership opportunities in Illinois for nearly 40 years. With our 200+ member organizations, we bring everyone together to work toward our vision of an Illinois where everyone has a stable, good home.*