

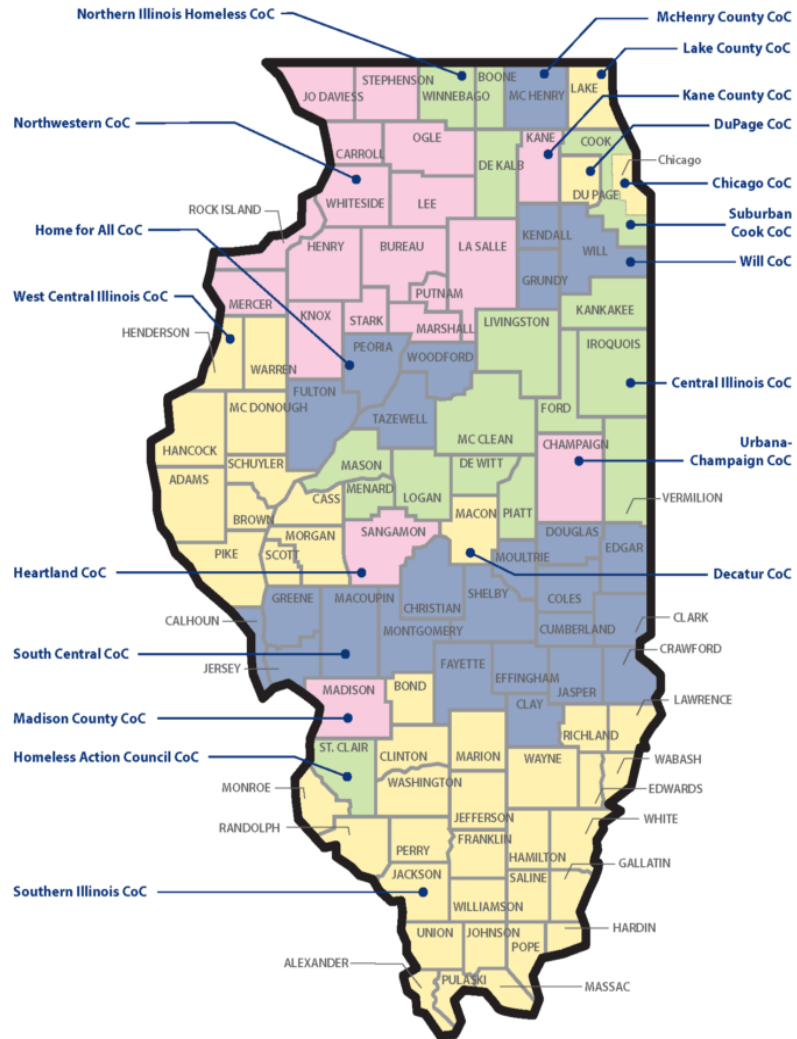
Responding to and Impacting the Uncertain Federal Landscape for Homeless Services

Housing Action Illinois Conference | September 30, 2026

HUD Continuum of Care Program

- The U.S. Department of Housing and Urban Development (HUD) administers the Continuum of Care (CoC) Program
- The CoC Program is the largest source of federal funding supporting community homelessness response systems across the country
- CoC Program funds are granted to nonprofit organizations to provide permanent and short-term rental assistance and supportive services for people experiencing homelessness

ILLINOIS CONTINUUM OF CARE MAP



- Every community in every state is assigned to a Continuum of Care (CoC)
- Illinois has 19 Continuum of Care
- Each CoC has a designated lead agency
- Each CoC is responsible for planning and coordinating how HUD CoC funding is distributed within its geographic area

HUD

- Congress approves HUD budget
- HUD funds CoC Program
- HUD oversees grant compliance in accordance with federal laws and regulations



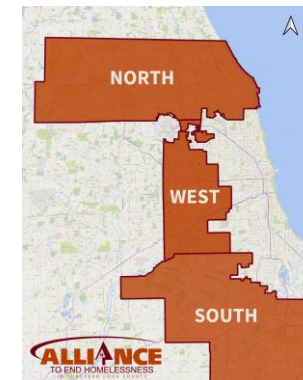
CoC Lead

- Responsible for submitting annual funding application on behalf of CoC grantees
- Responsible for administration, oversight, planning, and implementation of HMIS and Coordinated Entry



CoC Grantees

- Operate housing programs for people experiencing homelessness
- Adhere to HUD regulations and follow locally established CoC rules and requirements



- **August 2025:** In 2024, Congress approved a 2-year funding cycle that would allow for CoC leads and CoC grantees to have an expedited competition process and not be required to complete the full application cycle. HUD was expected to provide further instructions for this by August 2025. No instructions were provided
- **October 1, 2025 – November 12, 2025:** Federal government shut down; no communication from HUD
- **November 13, 2025:** HUD posts FY2025 CoC Notice of Funding Opportunity (NOFO), the instructions and guidelines that dictate how CoCs can apply for funding



- The FY2025 CoC NOFO represented a drastic and harmful shift from past CoC practices and priorities
- Restricted CoCs from spending more than 30% of their total funding on Permanent Supportive Housing (PSH), Rapid Re-Housing (RRH) and Joint Component Transitional Housing and Rapid Re-Housing (TH/RRH)
- Example: In Suburban Cook CoC, 86% of funding is dedicated to PSH, RRH, and TH/RRH
- Restricted the amount of funds that are automatically conditionally approved to 30% (Tier 1)
- Typically, Tier 1 has been set anywhere between 90% to 95%
- The criteria that CoCs are evaluated on are radically changed from years prior. Including removing and penalizing racial equity best practices, LGBTQ+ best practices, and harm reduction best practices. And incentivizing required services, forced treatment and recovery, and the criminalization of unsheltered homelessness.



- **December 1, 2025:** National Alliance to End Homelessness, along with a broad group of local government and nonprofits files a lawsuit challenging the unlawful changes to the CoC Program (*National Alliance to End Homelessness v. Turner, et al.*)

- **ADVOCACY!**

- **February 3, 2026:** After months of advocacy, Congress votes to protect CoC Program funding for the next 12 months.
 - Congress requires HUD to renew all existing grants
 - Congress requires that the 2026 CoC NOFO automatically conditionally approve 60% of CoC funds (i.e. Tier 1)
 - Congress requires HUD to release the 2026 CoC NOFO by June 1, 2026 and that award announcements be made by December 31, 2026



- **April 1, 2026:** Ruling in *National Alliance to End Homelessness v. Turner, et al.* upholds the requirements from Congress and prevents HUD from making any changes or adding additional requirements to the FY2025 CoC funds
- **March 31, April 27, and May 21, 2026:** HUD posts award announcements for all current CoC grants to renew funding for next 12 months



- **June 1, 2026:** HUD posts FY26 CoC NOFO, as instructed by Congress.
 - Tier 1 set at 60% (as instructed by Congress)
 - Set-aside of \$1.3 billion for new Transitional Housing and Supportive Services Only. This forces communities to transition existing funds away from evidence-based permanent housing solutions.
- **June 22, 2026:** National Alliance to End Homelessness, along with a broad group of local government and nonprofits files a lawsuit challenging the unlawful changes to the CoC Program (*National Alliance to End Homelessness v. HUD, et al.*)
- **June, July and August:** CoCs run local funding competitions based on parameters of FY26 CoC NOFO. Each CoC forced to make impossible decisions about how to transition existing funds into new temporary programs. CoC leads, applicants, and project reviewers spend thousands of hours responding to competition requirements and prepare for deadline of August 26.



- **August 7, 2026:** District Court of Rhode Island determines that HUD violated the APA's requirement to observe proper procedures as required by law when it issued the 2026 NOFO without first engaging in the public notice-and-comment procedure. As a result, Court orders HUD to set aside the 2026 NOFO in its entirety. HUD files appeal following the Court ruling.
- **September 16, 2026:** Court of Appeals grants HUD an emergency stay pending the appeal. As a result HUD is allowed to resume and reopen 2026 CoC NOFO while appeal arguments are being heard.
- **September 17, 2026:** HUD sets new deadline to submit all applications and competition materials by September 30, 2026.

