## Congress of the United States

Washington, DC 20510

March 3, 2025

The Honorable Scott Turner Secretary Department of Housing and Urban Development 451 7th Street SW Washington, D.C. 20410

Dear Secretary Turner,

We write to you today to express our concern that Continuum of Care (CoC) funding recipients may not receive funding already appropriated by Congress. We urge you to take action to ensure the Department of Housing and Urban Development (HUD) will finish processing FY2024 funding and comply with the two-year funding cycle.

As you know, the CoC program is the core federal funding stream to help communities address homelessness. On January 17, 2025, HUD announced \$3.6 billion in CoC program awards for nearly 7,000 projects across the country. Most of this funding is for existing projects, and without the grants, these projects will expire in Calendar Year 2025. These projects enable homeless services providers to help veterans, families with children, youth, seniors, and vulnerable individuals access permanent and temporary housing, crisis counseling, and other supportive services.

In the Office of Management and Budget (OMB) Memo M-25-13, the authors made clear that grant awards that have not yet been obligated were at risk of reversal or withdrawal by the Administration. Although the memo on the federal funding freeze was later rescinded, it is evident that the Trump Administration is still withholding funds. On February 10, a federal judge in Rhode Island acknowledged that the Administration failed to comply with a January 31-issued Temporary Restraining Order (TRO)<sup>1</sup> and that funding pauses persist.<sup>2</sup> The judge ordered the government to immediately restore frozen funding. However, given the Administration's documented refusal to comply with the TRO, we are concerned that HUD will continue to delay or fully withdraw CoC awards that have not yet been obligated.

Further, in FY2024 Appropriations, Congress granted HUD the authority for a two-year Notice of Funding Opportunity (NOFO) for CoC funding in an effort to enhance efficiency in the program. Previously, CoC funding recipients engaged in an annual funding process. Because an annual funding process can take over six months, requiring extensive community input around funding priorities, reallocation processes, and renewal evaluations, funding recipients lose critical time and resources that could otherwise be used to implement housing solutions in our communities. A two-year NOFO cycle more efficiently and effectively utilizes taxpayer dollars and staff resources. We are concerned that HUD, following the OMB memo's direction, will withdraw the two-year funding commitment in the middle of the FY2024/FY2025 funding cycle. This would create an undue burden on funding recipients and would directly work against the

<sup>&</sup>lt;sup>1</sup> <u>State of New York et al v. Trump et al. Jan. 30, 2025.</u>

<sup>&</sup>lt;sup>2</sup> State of New York et al v. Trump et al. Feb. 10, 2025.

Administration's stated goal of increasing the impact of every federal taxpayer dollar and promoting efficiency in government.

Though the OMB memo is now rescinded, its publication created panic and uncertainty among funding recipients actively providing critical services in their communities. Large and small homeless service providers alike – across rural, suburban, and urban communities – are largely funded by the Continuum of Care program, and this lack of financial certainty is actively causing them to reevaluate their ability to provide services to their communities. This, in turn, has the potential to increase homelessness across the country. We urge HUD to finish processing FY2024 homelessness funding and comply with the two-year funding cycle authorized by Congress. We look forward to hearing from you on this matter.

Sincerely,

Scott H. Peters Member of Congress

Gwen S. Moore Member of Congress

Henry C. "Hank' Johnson, Jr Member of Congress

Kevin Mullin Member of Congress

Suzanne Bonamici Member of Congress

Jone Janot

Sara Jacobs Member of Congress

Alma S. Adams, Ph.D. Member of Congress

Summer L. Lee Member of Congress

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Sheila Cherfilus-McCormick Member of Congress

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Robin L. Kelly Member of Congress

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