United States Senate

WASHINGTON, DC 20510

March 19, 2025

Dear Secretary Turner,

We write to express our deep concern regarding the Department of Housing and Urban Development's ("HUD" or "the Department") recent efforts to condition federal aid to Continuum of Care (CoC) funding recipients based on their compliance with specific Trump Administration policies related to diversity, equity, and inclusion (DEI), gender identity, and immigration. We urge the Department to immediately issue new CoC grant agreements without these conditions to avoid any further disruptions to life-saving services to homeless families and individuals.

Last week, HUD began issuing newly conditioned grant agreements to homeless service providers across the country without any warning or instruction for how providers were expected to implement them. These unprecedented and vaguely drafted conditions the Department proposed would have penalized homeless service providers based on the populations they serve and stripped federal protections in HUD-funded homeless shelters, permanent supportive housing, and street outreach programs across the country.

Although HUD rescinded the aforementioned CoC grant agreement on March 14, 2025, the initial release of these conditions has caused mass confusion and inflicted harm on recipients' ability to serve vulnerable individuals living in our communities and address our nation's homelessness crisis. Furthermore, HUD has already missed the statutory deadline for issuing the \$3.6 billion in outstanding congressionally appropriated FY2024 CoC program award funding. As a result, housing providers— already operating under immense financial strain— now face the imminent risk of shutting their doors, leaving countless individuals and families without critical housing and services. We urge HUD to immediately issue new CoC grant agreements using the existing contract language, without additional conditions or delays.

The initial FY2024 grant agreements issued to CoC funding recipients contained new requirements that are deeply problematic, and likely unlawful, requirements. These mandates, such as barring shelters from serving transgender people, prohibiting DEI initiatives, and certifying that they do not support "sanctuary" policies protecting noncitizens, conflict with federal civil rights, fair housing, and immigration laws, raising serious legal and constitutional concerns.

CoCs, the regional bodies responsible for coordinating homelessness response systems, provide essential shelter and supportive services to millions of individuals and families experiencing homelessness. HUD's proposed CoC conditions and subsequent grant revocations have created widespread uncertainty among funding recipients, jeopardizing the delivery of essential homelessness services nationwide. This chaos is especially alarming given recent increases in homelessness in the United States, driven by a worsening affordable housing shortage, inflation, and the increasing frequency of devastating natural disasters. The 2024 HUD Annual Homelessness Assessment Report (AHAR) revealed a staggering 18.1% increase in homelessness nationwide, reaching a record high of approximately 771,480 people experiencing homelessness on a single night. Even more alarming, HUD reported a 39% surge in families with children experiencing homelessness—the largest single-year increase for any population category—with nearly 150,000 children surviving without shelter on a single night.¹ Sadly, we believe these numbers are underreported, as HUD's Point-in-Time (PIT) count does not fully capture the true extent of homelessness. This methodology often misses individuals and families who are couch-surfing, staying in motels, living in cars, or avoiding shelters due to safety concerns, leading to a significant undercount of those experiencing housing instability. We believe that this move by the Administration will result in decreased services and an increase in the number of people experiencing homelessness.

The harm caused by these delayed and unfulfilled CoC grant agreements will fall disproportionately on our most vulnerable populations, including women, families with children, youth, veterans, survivors of domestic and intimate partner violence, people with disabilities, and LGBTQ+ individuals. Women experiencing homelessness—many of whom are fleeing domestic abuse—already face significant barriers to safety and stability, and restricting access to critical housing services will only further endanger their lives and well-being.

HUD's ongoing delays and attempt at terminating funding for homeless service providers that support survivors— especially those with inclusive policies that accept transgender and nonbinary individuals— will only put more people at risk and severely undermine efforts to break the cycles of homelessness and abuse. Women's shelters and safe havens for survivors of gender-based violence rely on CoC funds to provide critical services, including emergency housing, trauma-informed care, and long-term support. Without adequate and timely funding, these shelters would be forced to reduce capacity or shut down entirely, leaving survivors with nowhere to turn. This will also exacerbate unmet medical and mental health needs, as many women in these shelters require specialized care for trauma, PTSD, and other health conditions, including women veterans who experience homelessness at higher rates compared to their male counterparts.

By tying critical funding to unrelated and discriminatory policy requirements, HUD risks jeopardizing lifesaving services and effective local programs. Transgender and nonbinary people in the U.S. face significant barriers to securing safe housing, with many experiencing homelessness and high rates of mistreatment and violence in shelters. According to the National Alliance to End Homelessness, nearly one in three transgender individuals has experienced homelessness at some point in their lives.² These disparities stem from systemic discrimination, family rejection, domestic and intimate partner violence, and barriers to employment and housing. Transgender women of color, in particular, face the highest rates of discrimination, homelessness, and violence, with far too many incidents leading to the tragic loss of life to homicide each year. Stripping transgender and nonbinary individuals of access to housing and

¹ HUD Releases January 2024 Point-In-Time Count Report - HUD Exchange

² Defending the Equal Access Rule - National Alliance to End Homelessness

continuing to delay these funds will only exacerbate the homelessness crisis, pushing more people into unsheltered living conditions, unsafe situations, and increased exposure to violence.

It is also deeply troubling that HUD sought to push false claims that CoCs and homelessness service providers are promoting "sanctuary policies". The organizations receiving CoC funds exist to provide critical, non-discriminatory aid to those in need, regardless of their immigration status. These organizations do not set or enforce immigration policy—they simply fulfill their legal duty to provide life-saving and life-changing care. Conditioning funding in this manner is not only unjustified but also a violation of HUD's mission and statutory obligations under the McKinney-Vento Homeless Assistance Act.³

CoC funds provide essential support beyond emergency and temporary shelters, including street outreach, rapid re-housing, permanent supportive housing, case management, employment assistance, mental health counseling, substance use treatment, and transportation services to help individuals achieve and maintain housing stability. These programs are essential to addressing homelessness comprehensively and ensuring that individuals and families can access stable housing and necessary services. Further disruptions to CoC funding risks destabilizing these critical programs and worsening the homelessness crisis across rural, suburban, and urban communities. As Secretary of HUD, you have a responsibility to ensure that federal housing policies are guided by evidence-based practices—not by ideological efforts that exclude certain populations from receiving life-saving and life-changing assistance.

We urge the Department to immediately issue new CoC grant agreements consistent with longstanding practice— free of the aforementioned conditions— to ensure all individuals experiencing homelessness receive protection and support, regardless of gender identity, location, or other characteristics. Additionally, we request a response to Congress <u>no later than</u> <u>March 31, 2025</u>, outlining the Department's plans to ensure all future congressionally mandated CoC funding remains accessible to all eligible providers and populations without unnecessary restrictions.

We stand ready to work with you to ensure that homelessness service providers receive the support they need to continue their vital work and protect the most vulnerable members of our communities. Thank you for your attention to this urgent matter.

Adam B. Schiff View United States Senator

Sincerely,

Charles E. Schumer United States Senator

Alex Padilla United States Senator

³ <u>42 U.S.C. 11302 et al</u>.

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