



HUD Homelessness Assistance Funding is Changing

Why it Matters to your Community

January 21, 2026



A monthly conversation about housing, designed to share effective practices and build relationships among advocates and practitioners in Wisconsin.

(Usually the) Second Wednesday of the month
12 p.m. to 1 p.m.

Sponsors

- Badger State Housing Alliance
- Wisconsin Partnership for Housing Development
- League of Wisconsin Municipalities
- Wisconsin Council of Churches
- Wisconsin Council for Rural and Affordable Housing





Housekeeping


Today's Format

- Zoom webinar format
- Presentation style.
- Q/A at end.

Two ways to interact

- Questions section: questions for panelists.
- Chat section: comments & info sharing for entire group.

Access to Today's Materials

- The meeting will be recorded.
 - The recording & slides will be available in next month's BSHA newsletter.
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Today's Presenters



Erika Olson

**Homeless Systems Specialist
Wisconsin Balance of State
Continuum of Care**



Amy Stetzel

**Director, Upper Midwest Region
Corporation for Supportive Housing**

CoC NOFO

What is the Continuum of Care Notice of Funding Opportunity (CoC NOFO)?

- Continuum of Care (CoC)
 - HUD mandate – how homelessness services organizes nationwide
 - A type of funding from the federal department of Housing and Urban Development
- Notice of Funding Opportunity (NOFO)
 - How the federal government distributes these CoC funds
- Competition Cycle
 - Used to be annual
 - Moved to every other year, later in 2025 we received another NOFO

Why does it matter?

- CoC funds make up a great deal of housing programs in Wisconsin
- Delays in funding disbursement can cause delays in necessary services for our communities
- Examples of project types affected
 - Rapid Rehousing (RRH)
 - Permanent Supportive Housing (PSH)
 - Coordinated Entry
 - Youth Homelessness Demonstration Project (YHDP)

National Alliance to End Homelessness Data Visualization Tool

Continuum of Care	Currently: Percent of CoC Funding Dedicated to Permanent Housing	Currently: Percent of PSH Funded by the CoC Program	Currently: Percent of RRH Funded by the CoC Program	Projection: Loss in Funding for Permanent Housing Under New NOFO	Projection: Loss in Permanent Housing Beds under new NOFO
WI – 500 Wisconsin Balance of State CoC	81%	41%	67%	\$13,966,889	969
WI-501 Milwaukee City & County CoC	89%	56%	71%	\$9,993,369	1102
WI-502 Racine City & County CoC	80%	59%	46%	\$632,633	58
WI-503 Madison/Dane County CoC	78%	34%	23%	\$3,003,705	250

HUD Continuum of Care Notice of Funding

The Continuum of Care (CoC) program is HUD's main funding source for housing solutions to homelessness. Every 1–2 years, HUD awards \$3.6B to local communities for housing rental assistance and supportive services for people with disabilities and households experiencing homelessness.

Changes to Funding Allocations & Priorities in 2025 Notice of Funding

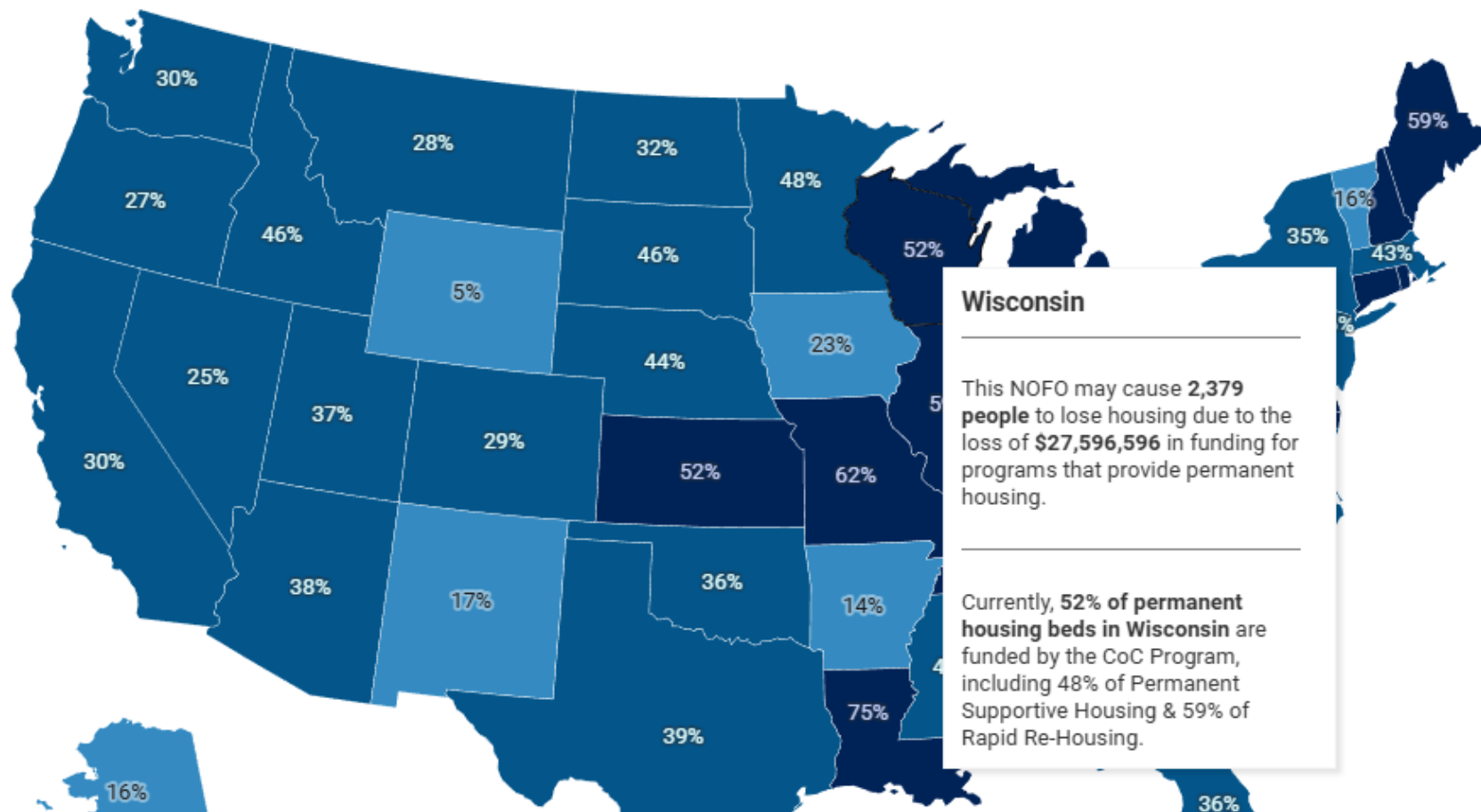
1. Funding for projects renewal is capped at 30% (down from 80-90%).
2. Remaining 70% is competitive with preference for transitional housing.
3. Permanent housing is limited to 30% of funding.
4. Significant prioritization for treatment-first/service requirements, employment outcomes, and law enforcement coordination
5. Projects can be rejected for current or past work related to harm reduction or prioritization of certain populations.

State-Level Analysis

HUD'S CUTS TO PERMANENT HOUSING WILL BE FELT MOST STRONGLY IN STATES THAT RELY MORE HEAVILY ON FEDERAL FUNDING

Hover over the map to understand how your state will be impacted. Click the link at the bottom of the map to download the data.

Percent of Permanent Housing Currently Supported by the Continuum of Care Program



Wisconsin

This NOFO may cause **2,379 people** to lose housing due to the loss of **\$27,596,596** in funding for programs that provide permanent housing.

Currently, **52% of permanent housing beds in Wisconsin** are funded by the CoC Program, including 48% of Permanent Supportive Housing & 59% of Rapid Re-Housing.

Wisconsin Continuum of Care-Level Analysis:

CoC	Current % of CoC Funding Dedicated to Permanent Housing	Current % of PSH Funded by the CoC Program	Current % of RRH Funded by the CoC Program	Projected LOSS in Funding for Permanent Housing Under New NOFO	Projected LOSS in Permanent Housing Beds Under New NOFO
Balance of State	81%	41%	67%	\$13,966,889	969
Milwaukee City and County	89%	56%	71%	\$9,993,369	1,102
Racine City and County	80%	59%	46%	\$632,633	58
Madison/Dane County	78%	34%	23%	\$3,003,705	250

Communities have a choice:

Daily Cost Comparisons in Wisconsin



The expected cost impact of the HUD policy shift to Wisconsin would be:

- A loss of **\$38.9 million**/year in CoC funding
- Additional spending of \$266.1 million/year in emergency services, including: ER visits, hospitalization, incarceration

Are CoC Permanent Housing CoC Contracts Ending NOW in Wisconsin?

YES!

Jan – March (Q1) 2026:

- 6 Projects with 138 beds will lose funding

April – June (Q2) 2026:

- 13 Projects with 611 beds will lose funding

Total in the first 6 months of 2026

- 19 projects; 749 beds; \$14.3 million in funding lost

A Tale of Two Advocacy Paths

Congressional Budget Advocacy

- SO MUCH ADVOCACY!
 - Many of you have signed on to federal sign-on letters, made calls to state and local electeds, set up tours of emergency shelter and supportive housing while members of Congress are home on recess, etc. THANK YOU!
- January 18 2026: FY 2026 T-HUD Appropriations bill was released.
 - It DOES include language directing HUD to renew 2025 CoC grants

What is in the T-HUD Appropriations Bill:

- It includes language that would gradually renew the 2025 contracts depending on how the litigation plays out.
- There is also language that would limit HUD to no less than 60% renewals in 2026. How this will play out in practice is uncertain yet.
- The overall funding levels remain relatively the same with some adjustments for inflation/FMR
- What's next?
 - The House will bring the T-HUD bill to the floor next week and then the Senate will follow.
 - This should pass, but there are still Congressional members who aren't super jazzed on the above negotiated language.
 - If you aren't already, make sure you are signed up to receive the CSH advocacy alerts here: [Corporation for Supportive Housing - Our Policy and Advocacy Work](#)

Litigation

- **November 2025:** 19 State Attorney Generals (including Wisconsin!) & 2 Governor's and the National Alliance to End Homelessness sue HUD over the changes to the FY2025 CoC NOFO. [20 states sue the Trump administration over cuts to homeless permanent housing funding - POLITICO](#)
- **December 2025:** A written preliminary injunction was ordered by a federal court that required HUD to stop its decision to rescind and replace the FY2024-2025 Continuum of Care and Youth Homelessness Demonstration Program NOFO on December 23. (this was the NOFO they dropped in November)
- **December 2025:** The Court also stopped HUD from moving forward with the December 19th FY2025 CoC NOFO (a NOFO they "updated") and directed them to file a report to establish the steps necessary to process renewals consistent with the requirements of the FY2024-FY2025 CoC Program NOFO.
 - This DOES NOT mean that HUD has been ordered to fund project renewals. This only means that HUD must get ready to renew contracts.
- **January 2026:** On January 8, HUD published a notice stating it will accept applications for FY25 funding until February 9, all following the rules of the FY24-25 NOFO.
 - Renewals don't have to do anything - they are 'automatically' renewed when HUD is ordered to renew them by Congress.
 - New projects will need to submit by Feb 9th - and if a CoC has new or reallocated projects they also need to submit a priority listing by that date.

Probability and Possibility

- What is in our sphere of control?
- What are the actions currently being taken to protect the people you serve, your staff, and your organizations?
- Could there be some new and imaginative thinking in this space born out of necessity?
 - State rainy day funds? State of Emergency? New philanthropic partnerships? Ability to advocate for things at the state level you might have never dreamed possible (sales tax targeted to housing), etc.



WHAT CAN WE DO ABOUT IT?



HUD SPENDING BILL

INVEST IN
HOUSING!

- Email or call your federal representatives' offices to tell them about the importance of affordable housing and homelessness to you, your family, your community, or your work
- Share stories of those directly impacted by homelessness and housing instability



**Find your members of
Congress**



State and Local Conversations



- Engage with elected officials, government, philanthropy about what the impact of a loss of funding would look like and potential “gap” fixes

CICERO BILLS

2025 Assembly Bills 625 (SB 614) and 631 (SB 621)

- “Pay for Performance” requirements for DOA homelessness assistance funding
- Creation of “structured camping facilities”
- Statewide camping ban on public property, penalties of \$500 or up to 30 days in jail for second or subsequent violations, require compliance with mental health and substance use evaluations (without additional funding)
- Public hearing this morning

Contact the Assembly Committee on Housing and Real Estate and your representatives about the impact of these bills



**List of Assembly
Committee on Housing
and Real Estate
members**



**Find your state
representatives**



CICERO BILLS

2025 Assembly Bills 624 and Senate Bill 610

- Increases the maximum imprisonment to 5 years if dealing drugs in or near a homeless shelter (1000 ft radius = 3 city blocks)
- There are already other locations where this 5 year max applies (parks, jail, school, etc)
- Could either criminalize people in desperate need of shelter care or deter people from seeking out these services out of fear of increased police interaction
- Being voted on in Senate today

Contact your state Senator and
Assembly Committee on Rules
members



**List of Assembly
Committee on Rules**



**Find your state
representatives**



BADGER STATE HOUSING ALLIANCE



2026 ADVOCACY DAY

Tuesday, March 17
Wisconsin State Capitol



Stay tuned for more information by signing up for
Badger State Housing Alliance newsletters
<https://tinyurl.com/yra463z2>



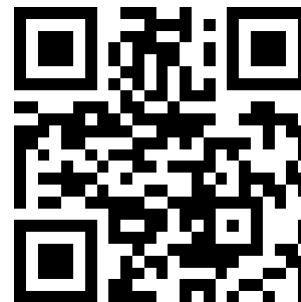
QUESTIONS?

**Thanks for
joining the
conversation!**

Save the Date

February 11	Advocacy 101 + WI Legislative Update
March 11	Public ROI for Housing Investments
March 17	BSHA Advocacy Day at State Capitol
April 8	Domestic Violence Housing First Pilot
May 13	Specialized Homeownership Programs: Own It and WNFL

Stay in Touch



Sign up for Badger State
Housing Alliance newsletters
<https://tinyurl.com/yra463z2>