

October 13, 2026

Office of the Assistant Secretary for Community Planning and Development
Regulations Division, Office of General Counsel
The U.S. Department of Housing and Urban Development
451 7th St. SW, Washington, D.C. 20410

Submitted via regulations.gov in Docket No. FR-6628-N-01

**Re: Comment in Opposition to Notice of Research Justifying Additional Incentives
for Certain Activities to Reduce Homelessness (Docket No. FR-6628-N-01)**

To Whom It May Concern:

The undersigned local governments (Local Governments) submit this comment to oppose the U.S. Department of Housing and Urban Development's (HUD) Notice of Research Justifying Additional Incentives for Certain Activities to Reduce Homelessness, Docket No. FR-6628-N-01 (Notice). For the reasons below, the Local Governments respectfully request that HUD rescind its Notice and decline to make the proposed policy effectiveness determinations under 42 U.S.C. § 11386b(d)(2)(C) on the current record.

I. INTRODUCTION AND BACKGROUND

In a major departure from decades-long practice and research, HUD proposes to imminently defund current housing priorities and shift funds towards a new initiative with no sound reasoning or evidence in its Notice. The agency's attempt to justify its major reallocation of existing Continuum of Care (CoC) funding violates the Administrative Procedure Act (APA), 5 U.S.C. § 706(2)(A), (C), and is unauthorized under the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act). 42 U.S.C. § 11381 *et seq.*

To begin, the truncated 30-day period for comment for such a dramatic shift in policy and immediate stripping of funding from proven methods is wholly insufficient under the APA. The Notice proposes interventions whose effectiveness is unsupported by the weight of the research, flouting requirements of the McKinney-Vento Act. As such, the Notice is unauthorized under the enabling statute as well as the APA. Further, as the Local Governments describe, HUD's Notice wholly ignores the massive harms its proposal will cause—particularly to local governments and their communities who have relied on the existing method of funding for decades.

**A. Local Governments and Their Communities Have a Vested Interest in
Longstanding HUD Continuum of Care Funding and Methods.**

Localities are at the front line of addressing homelessness. Local governments manage the public spaces where unhoused individuals might sleep, employ the law enforcement that may encounter homeless persons, and oversee the health and social services systems unhoused individuals may engage. Only a rare handful of local governments do not face any degree of

affordable housing or homelessness crisis. All local governments rely on vital federal funding to prevent and reduce homelessness in America—whether they receive CoC funding directly or not. Indeed, HUD funding has been a linchpin in attempting to solve the pervasive issue of homelessness. Unless this Notice is rescinded, local governments will bear the brunt of this shift together with their residents.

Local governments are best positioned to understand the needs of and solutions for homelessness in their communities. The Notice’s proposed shift in approach to homelessness will sow chaos for cities and counties. More fundamentally, the impact will be devastating for the vulnerable individuals and families who currently benefit from the very permanent supportive housing (PSH) projects/programs that HUD has long championed. Failure to consider the evidence that we bring, the reliance interests we have engendered, and our expert perspective on any change in policy HUD proposes in homelessness funding necessitates the rescission of this Notice.

B. HUD’s Notice Violates the McKinney-Vento Act and the Administrative Procedure Act.

HUD’s inadequate and unsupported change of priority areas for its funding is contrary to statutory design and purposes. The undersigned do not dispute that HUD possesses authority to establish certain national criteria under the McKinney-Vento Act. 42 U.S.C. §§11382(a), 11386a, 11386b. However, the proposed activities described in the Notice, and the corresponding CoC Notice of Funding Opportunities (NOFO), fall outside of the activities authorized in the McKinney-Vento Act. The McKinney-Vento Act authorizes HUD to incentivize only those activities that HUD has determined have been **proven effective** for reducing homelessness. It does not give HUD free rein to choose any interventions it may prefer. Beyond those incentives explicitly identified in § 11386b(d)(2)(A)–(B), which include PSH, any new incentive must be “based on research.” 42 U.S.C. § 11386b(d)(1)–(2)(C). HUD’s distorted interpretations of the evidence it cites to support its findings fail to satisfy this statutory precondition for the priority shift it seeks to effectuate.

For this reason, this Notice is also contrary to law under the APA. The APA requires a reviewing court to “hold unlawful and set aside agency action” that is “not in accordance with law” or “in excess of statutory jurisdiction, authority, or limitations.” 5 U.S.C. §§ 706(2)(A), (C). This Notice fails in each category. It attempts to justify stripping existing funding and shifts the same funds to federally dictated policy preferences unsupported by rigorous and Congressionally required research and evidence.

An agency action is arbitrary and capricious if the agency has: (i) relied on factors that Congress did not intend it to consider; (ii) entirely failed to consider an important aspect of the problem; or (iii) offered an explanation for its decision that runs counter to the evidence before the agency, or (iv) is so implausible that it could not be ascribed to a difference in view or the product of agency expertise. *See Motor Vehicle Mfrs. Ass’n of United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). The APA also requires an agency to examine relevant data and articulate a satisfactory explanation for its action, including a “rational connection between the

facts found and the choice made.” *Id.* (quoting *Burlington Truck Lines, Inc. v. United States*, 371 U.S. 156, 168 (1962)). Here, HUD failed on both counts. The Notice is arbitrary and capricious because it mandates changes that run counter to decades of empirical evidence, is unsupported by HUD’s cited sources, and fails to account for major reliance interests of local governments and other grantees administering CoC funds. Further, the Notice rests on flawed or inaccurate reasoning, lacks in credible evidence, and is wholly insufficient to justify HUD’s drastic change in direction that will put thousands of lives at risk.

II. A 30-DAY COMMENT PERIOD IS INSUFFICIENT AFTER HUD CONDUCTED MONTHS OF CLOSED-DOOR OUTREACH EFFORTS

Whenever an agency is required to or decides to engage in public notice and comment, it must provide a meaningful opportunity for the public to respond. Thirty days is a bare minimum. *See Azar v. Allina Health Servs.*, 587 U.S. 566, 570 (2019). HUD failed to consider how the significance of its proposal warranted a longer comment period—after all, HUD is for the first time seeking to supplement the statutory list of activities proven effective at ending homelessness and is seeking for the first time in the history of the CoC program to divert funding away from existing projects and redirect it towards HUD’s newly favored activities. This “[m]atter[] of great import ... should naturally be accorded more elaborate public procedures.” H.R. Rep. No. 79-1980, at 259 (1946). HUD’s minimal public comment period denied stakeholders a “meaningful” opportunity for public participation in HUD’s policymaking process. *See, e.g., Idaho Farm Bureau Fed’n v. Babbitt*, 58 F.3d 1392, 1404 (9th Cir. 1995); *Prometheus Radio Project v. FCC*, 652 F.3d 431, 450 (3d Cir. 2011); *Rural Cellular Ass’n v. FCC*, 588 F.3d 1095, 1101 (D.C. Cir. 2009).

Indeed, HUD reportedly spent months hosting invite-only meetings with a select and non-representative group of stakeholders,¹ but it is offering all other affected entities and individuals—including individuals and families in CoC-funded permanent housing programs, CoCs, grantees, and state and local governments—only 30 days to comment on HUD’s lengthy notice and recitation of its “research.” Worse, this period overlapped with the timeline that applicants—in many cases, key stakeholders for purposes of this Notice—had to meet HUD’s reinstated fiscal year 26 NOFO application deadline. Responding to research requires time; respondents need adequate runway to gather and present additional data and research for HUD’s consideration. Preparing informed comments, in turn, demands significant time and effort from stakeholders—resources that were already thinly stretched for many of the stakeholders at issue here. Given that HUD has identified no urgent need for completing this Notice (in fact, HUD asserts that this public participation is not necessary at all),² there does not appear to be any rationale for HUD’s decision not to afford the public a reasonable time period longer than 30 days to “submi[t] written data, views, [and] arguments.” 5 U.S.C. § 553(c).

¹ Garrett L. Grainger, “A Grim March Toward Death”: What HUD’s New Homeless Policy Looks Like on the Ground, Shelterforce (Apr. 20, 2026), <https://shelterforce.org/2026/04/20/what-huds-new-homeless-policy-looks-like-on-the-ground/>.

² *See* Notice of Research Justifying Additional Incentives for Certain Activities to Reduce Homelessness, 91 Fed. Reg. 57,901, 57,902 (Sept. 11, 2026).

Equally concerning is HUD’s suggestion that it may finalize its policy decision without responding to the public comments received.³ To satisfy the baseline standard of reasoned decision-making, agencies must respond to significant issues raised via public comment prior to finalizing their actions. *See, e.g., Ohio v. EPA*, 603 U.S. 279, 293–94 (2024); *Public Citizen, Inc. v. FAA*, 988 F.2d 186, 197 (D.C. Cir. 1993).

Even the most cursory engagement with local governments would have provided more insight and evidence for the agency to complete its record before making any decisions regarding the upcoming CoC NOFO. Such consultation would also have revealed that the weight of the evidence—including what local governments have to offer—favors preservation of existing approaches. Failure to engage in such consultation reflects a failure by HUD to treat local governments as genuine partners in the CoC program despite their central role in housing and homelessness. This disregard flies in the face of Congress’s recognition that CoC planning is a “required and integral local function necessary to generate the local strategies for ending homelessness.” McKinney-Vento Homeless Assistance Act, Pub. L. No. 111-22, div. B, § 1002(b)(2), 123 Stat. 1664, 1665 (2009).

III. THE EVIDENCE HUD CITES DOES NOT SUPPORT ITS CONCLUSIONS

In issuing this Notice, HUD legally and empirically misses the mark, and thereby acts beyond its statutory authority. The Notice rests on the premise that Housing First, the approach that prioritizes providing low-barrier housing immediately to those experiencing homelessness, “has profoundly failed to deliver on its promises.”⁴ To support this conclusion, HUD relies almost entirely on a basic before-and-after comparison: More people are experiencing homelessness, particularly chronic homelessness, today compared to when the federal government began the shift toward the Housing First approach.⁵ But that comparison cannot carry the weight that HUD places on it. A high homelessness rate is not evidence that Housing First has “failed.” Instead, it is a predictable result of the worsening shortage of affordable housing which pushed people into homelessness faster than any rehousing program can resolve.

The evidence on Housing First, including research published by HUD itself and studies cited in the Notice, overwhelmingly shows that Housing First effectively moves people out of homelessness and keeps them housed. The Notice reaches a different conclusion only by (A)

³ *See id.* at 57,902 (stating that if HUD concludes that no revisions are needed to its determinations in response to public comment, then it will go ahead and adopt its “determinations as part of future CoC funding opportunities”).

⁴ Notice, 91 Fed. Reg. at 57,904; *see also* Press Release, U.S. Dep’t of Hous. & Urb. Dev., *HUD Overhauls Federal Homelessness Assistance* (June 1, 2026), <https://www.hud.gov/news/hud-no-26-038> (quoting HUD Secretary Scott Turner: “The ‘housing first’ experiment failed Americans by warehousing the vulnerable without results.”).

⁵ 91 Fed. Reg. at 57,904.

mischaracterizing the Housing First approach;⁶ (B) improperly treating aggregate trends in the national homelessness count as proof that the approach failed; and (C) purposely ignoring rigorous causal analyses comparing Housing First to alternative models. Further, as we explain in *infra* Part IV, HUD fails to take into consideration the experiences of local communities.

A. The Notice mischaracterizes the Housing First approach.

As an initial matter, the Notice mischaracterizes the various applicable frameworks for CoC funding, particularly the Housing First approach. It asserts that, in implementing Housing First, HUD “drew emphasis away from robust supportive services ... and replaced them with a single-minded focus on retention of housing subsidy,” such that “Housing First very quickly became Housing Only.”⁷ On the contrary, most local governments and housing providers fully endorse a diversity of approaches to tackle homelessness and would support an effort to sufficiently fund supportive services to accompany existing, proven methods for housing residents. However, the Notice, which explicitly supports the HUD 2026 CoC NOFO, threatens to strip funding from successful, ongoing programs with no transition time for service providers to adjust to new funding requirements.

Contrary to HUD’s (new) assertions, Housing First is an adaptable service model—not a one-size-fits-all program or policy. It aims to quickly place people experiencing homelessness into housing without requirements such as passing sobriety tests, maintaining employment, or participating in mandatory counseling.⁸ Crucially, as HUD itself has explained, “Housing First is not ‘housing only.’”⁹ The availability of “wraparound supportive services as they are wanted and needed is intrinsic to the model.”¹⁰ Thus, what distinguishes Housing First from the “linear” or “treatment-first” model that came before it is not whether supportive services are offered. Instead, it is whether a person must meet certain requirements *in order to* access housing.¹¹

Importantly, there is a longstanding bipartisan consensus that Housing First is an evidence-backed approach to reducing homelessness. At the federal level, in the early 2000s, the George W. Bush administration became the first to adopt Housing First as part of national policy to end chronic homelessness.¹² And, in 2009, a bipartisan majority of Congress passed the HEARTH Act,

⁶ *Id.* at 57,904, 57,908.

⁷ *Id.* at 57,904, 57,906.

⁸ Off. of Pol’y Dev. & Rsch., U.S. Dep’t of Hous. & Urb. Dev., *Housing First Works*, Evidence Matters, Spring/Summer 2023, at 3–4, <https://docs.huduser.gov/archives/portal/sites/default/files/pdf/EM-Newsletter-spring-summer-2023.pdf>.

⁹ *Id.* at 6.

¹⁰ *Id.*

¹¹ *See id.* at 4.

¹² *See* Alap Davé, George W. Bush Inst., *How One State Almost Solved America’s Homelessness Problem*, The Catalyst: The Fix (Fall 2023), <https://www.bushcenter.org/catalyst/the-fix/homes-for-the-unhoused-solving-homelessness-problem>.

which identified two Housing First-aligned models—“permanent supportive housing for chronically homeless individuals and families” and “rapid rehousing services” for families—as “activities that have been proven to be effective at reducing homelessness.” *See* Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, Pub. L. No. 111-22, div. B, tit. III, § 1305(3), 123 Stat. 1663, 1693 (codified as amended at 42 U.S.C. § 11386b(d)(2)(A)–(B)).

Where supportive services have been lacking, the cause is typically inadequate funding for such services, not the Housing First model as such.¹³ As HUD’s own research explains, “[w]hatever the program, if it is not adequately funded to provide both housing and services, it will fail to achieve fidelity to the Housing First model.”¹⁴ And, as the Notice itself acknowledges, HUD has already recognized the importance of case management and other supportive services, as reflected, for example, in its requirement that rapid rehousing program participants meet with a case manager at least once per month.¹⁵

In mischaracterizing successful practices long endorsed by HUD, including investment in permanent supportive housing, the Notice attempts to build and then attack a straw-man argument to justify HUD’s decision to shift funding from longstanding evidence-based practices to unsubstantiated new priorities.

B. HUD’s before-and-after comparison does not show that Housing First failed.

HUD’s primary evidence in support of its shift takes the form of a comparison of two time periods. The Notice states that homelessness decreased by 8.8% from 2007 to 2013 before increasing by 27% during the following years “of a near-exclusive focus on Permanent Housing.”¹⁶ But a before-and-after comparison such as this one does not, without more, establish that the shift to Housing First *caused* the increase in homelessness.

There are at least three problems with the Notice’s analysis. *First*, 2013 is not the starting point of Housing First in federal policy. As described above, the federal government began the shift toward Housing First in the early 2000s, and Congress identified permanent supportive housing and rapid rehousing as evidence-backed interventions in 2009. *See supra* Part III.A. So, the decline in homelessness from 2007 to 2013 that the Notice attributes to the pre-Housing First era occurred *after* the shift to Housing First had begun.

¹³ Katherine Quinn et al., *Supportive Housing for Chronically Homeless Individuals: Challenges and Opportunities for Providers in Chicago, USA*, 26 Health & Soc. Care in the Cmty. e31, e31–38 (2018). *See also* Leah Robinson, Kyle Moon, Sabriya L. Linton, & Craig Evan Pollack, *Housing First and Health: What the Evidence Says*, Health Affairs (Aug. 13, 2026), <https://www.healthaffairs.org/content/briefs/housing-first-and-health-evidence>.

¹⁴ Off. of Pol’y Dev. & Rsch., *supra* note 8, at 6.

¹⁵ *See* 91 Fed. Reg. at 57,911 (citing 24 C.F.R. 578.37(a)(1)(ii)(F)).

¹⁶ 91 Fed. Reg. at 57,906; *see also id.* at 57,904 (stating that chronic homelessness increased 80.5% from 2013 to the present), *id.* at 57,908 (stating that, despite approximately \$36 billion in CoC funding since 2013, “approximately 155,000 more people are homeless today than in 2013”).

Second, the homelessness rate has not risen steadily since 2013. In fact, it continued to fall from 2013 to 2016 before increasing slightly from 2016 to 2020 and then spiking after pandemic-era protections expired.¹⁷ And in fact, the homelessness count *decreased* between 2024 and 2025 (a decrease that the Notice omits from mention).¹⁸

Third, the Notice compares the wrong metric. A point-in-time count reflects the total number of people experiencing homelessness at a particular time; thus, the trend over time in that count reflects the balance between people entering and exiting homelessness over a given period. By contrast, Housing First programs affect how quickly the people they serve leave homelessness and how durably they stay housed. They do *not* affect how many people lose their housing in the first place. As a former HUD official explained, “[t]he increase in homelessness from 2016 to 2020 is not because the Housing First approach is ineffective; in fact, more people were exiting homelessness into permanent housing during this period than ever before.”¹⁹ Instead, homelessness rose “because housing market conditions and other factors were leading more people to become newly homeless than were being exited from homelessness into housing in the prior years.”²⁰ Indeed, HUD’s own performance data show that more than 95% of people placed in permanent supportive housing remained in permanent housing or exited to another permanent housing destination in each year from 2020 through 2024.²¹

The fluctuations in the homelessness count over time reflect that—as Congress found and as the Notice acknowledges—“the causes of homelessness are many and complex.”²² 42 U.S.C. § 11301(a). The trend in that count does not reveal whether Housing First effectively reduced homelessness. Fortunately, there is an abundance of research investigating precisely that question.

C. HUD ignores rigorous causal evaluations that show that Housing First effectively reduces homelessness.

Rigorous causal studies—including many randomized controlled trials (RCTs), known as the “gold standard” of causal analysis—have consistently shown that Housing First-aligned

¹⁷ See U.S. Dep’t of Hous. & Urb. Dev., *The 2025 Annual Homelessness Assessment Report (AHAR) to Congress, Part 1: Point-in-Time Estimates of Homelessness*, at 1 (May 2026), <https://www.huduser.gov/portal/sites/default/files/pdf/2025-AHAR-Part-1.pdf>.

¹⁸ *Id.*

¹⁹ Off. of Pol’y Dev. & Rsch., *supra* note 8, at 6 (remarks of then-Senior Advisor for Housing and Services Richard Cho).

²⁰ See *id.* (citing additional evidence supporting the conclusion that affordable housing scarcity is the primary driver of homelessness).

²¹ See U.S. Dep’t of Hous. & Urb. Dev., *National Summary of Homeless System Performance 2020–2024* 4 (rev. June 12, 2025), <https://files.hudexchange.info/resources/documents/National-Summary-of-Homeless-System-Performance.pdf>.

²² 91 Fed. Reg. at 57,903.

programs end homelessness faster and keep people housed longer compared to alternative programs. Just three years ago, HUD conducted its own review of Housing First research, citing numerous studies supporting the Housing First approach. That review concluded:

Overwhelming evidence from several rigorous studies indicates that Housing First programs increase housing stability and decrease rates of homelessness. The best available evidence indicates that Housing First programs successfully house families and individuals with intersecting vulnerabilities, such as veterans, individuals experiencing substance use or mental health issues, survivors of domestic violence, and individuals with chronic medical conditions such as HIV/AIDS.²³

This publication underscores that HUD has significant evidence supporting Housing First approaches over treatment-first alternatives.²⁴ Yet, even though the agency acknowledges the overwhelming evidence, it fails to address the direct conflict between the supporting evidence and the Notice’s claims.

To name a few, an early evaluation of a permanent supportive housing program for people experiencing chronic homelessness in New York City found that approximately 80% of participants stayed housed, compared with 30% of the comparison group.²⁵ Later reviews of randomized controlled trials and quasi-experimental studies found that Housing First participants leave homelessness faster and stay stably housed longer.²⁶ Most notably, a 2020 HUD–CDC systematic review of 26 studies found that, compared with treatment-first programs, Housing First programs reduced homelessness by 88% and improved housing stability by 41%.²⁷ Participants also reported better quality of life and community integration.²⁸ And these housing gains did not come with worse substance use outcomes compared to treatment-first models.²⁹

²³ Off. of Pol’y Dev. & Rsch., U.S. Dep’t of Hous. & Urb. Dev., *Housing First: A Review of the Evidence*, Evidence Matters, Spring/Summer 2023, at 18, <https://www.huduser.gov/portal/sites/default/files/pdf/EM-Newsletter-Spring-Summer-2023.pdf>.

²⁴ See 91 Fed. Reg. at 57,910 (discussing HUD’s 2023 review of Housing First, published in HUD’s appropriately-named periodical *Evidence Matters*).

²⁵ See Sam Tsemberis, Leyla Gulcur & Maria Nakae, *Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with a Dual Diagnosis*, 94 Am. J. Pub. Health 651 (2004).

²⁶ See, e.g., Debra Rog et al., *Permanent Supportive Housing: Assessing the Evidence*, 65 Psychiatric Servs. 287 (2014); Andrew J. Baxter et al., *Effects of Housing First Approaches on Health & Well-Being of Adults Who Are Homeless or at Risk of Homelessness: Systematic Review & Meta-Analysis of Randomised Controlled Trials*, 73 J. Epidemiology & Cmty. Health 379 (2019); Jack Tsai, *Is the Housing First Model Effective? Different Evidence for Different Outcomes*, 110 Am. J. Pub. Health 1376 (2020).

²⁷ See Yinan Peng et al., *Permanent Supportive Housing with Housing First to Reduce Homelessness & Promote Health Among Homeless Populations with Disability: A Community Guide Systematic Review*, 26 J. Pub. Health Mgmt. Practice 404 (2020).

²⁸ *Id.*

²⁹ *Id.*

As for the studies on which HUD purportedly relies, they fail to support HUD’s conclusion that Housing First is less effective compared to other models. For example, the Notice cites a 2016 study of youth with mental illness and experiencing homelessness to link Housing First with lower employment rates.³⁰ But the study’s primary outcome was housing stability, and its conclusion echoed the scholarly consensus: “This study ... suggests that ‘Housing First’ is a viable intervention to promote housing stability in homeless youth with mental illness and is as effective for young people as it is for adults in general.”³¹ Similarly, the Notice cites a 2025 study that analyzed the effectiveness of a housing-only versus housing-plus-supportive-services intervention for young mothers experiencing homelessness.³² That study concluded that access to housing plus supportive services improved outcomes compared with services as usual and that housing with supportive services outperformed housing alone in improving housing stability. This conclusion does nothing to undermine the efficacy of Housing First. On the contrary, these findings *support* the effectiveness of housing assistance and suggest that supportive services can improve outcomes.³³

Much of the Notice’s remaining evidence lacks any comparison group. For example, the Notice reports that youth exiting Covenant House transitional housing programs had high rates of stable housing and employment, and that youth who stayed at least a year had even better outcomes.³⁴ But without a comparison group, it is impossible to evaluate whether those figures show that transitional housing caused the outcomes, or whether the results merely reflect which young people entered the programs and which stayed.

Summing up, the Notice’s conclusions are not supported by reliable empirical research. The best available evidence overwhelmingly shows that Housing First effectively reduces homelessness and that high rates of homelessness cannot be attributed to any purported deficiencies in the Housing First model. HUD has come nowhere near adequately justifying its abrupt departure from decades of bipartisan and scholarly consensus on this issue.

IV. THE EXPERIENCES OF LOCAL GOVERNMENTS AND THEIR COMMUNITIES SUPPORT THE HOUSING FIRST APPROACH

In a feeble attempt to satisfy its evidentiary burden to show that its proposed interventions are effective, HUD appeals to what it characterizes as several different municipalities’ successes with these interventions. But not only does it misrepresent these municipalities’ experiences in so

³⁰ 91 Fed. Reg. at 57,907.

³¹ Nicole Kozloff et al., “*Housing First*” for Homeless Youth with Mental Illness, 138 *Pediatrics* 1, 8 (2016), <https://housingfirst.wp.tri.haus/assets/files/2016/12/HF-for-homeless-youth-with-mental-illness.pdf>.

³² 91 Fed. Reg. at 57,907.

³³ Jing Zhang et al., *Housing Stability, Employment, & Survival Behaviors Among Young Mothers Experiencing Homelessness: A Randomized Controlled Trial of a Housing Intervention*, 366 *Soc. Sci. Med.* 117658 (2026).

³⁴ 91 Fed. Reg. at 57,907.

doing, it fails to acknowledge the extraordinary progress that so many municipalities have made on reducing homelessness using interventions they have refined over time, in light of their particular circumstances and in reliance on HUD funding for these solutions.

A. HUD mischaracterizes localities’ experiences in a failed effort to satisfy 42 U.S.C. §11386b(d) of the McKinney-Vento Act.

HUD’s Notice repeatedly cites to particular localities to support its claim that its departure from longstanding practice and research—moving funding from permanent supportive housing to transitional housing, supportive services only programs, and partnerships with law enforcement—*will* reduce homelessness.³⁵ But HUD’s treatment of those experiences is incomplete and, in many key respects, overstates what the evidence supports. Contrary to HUD’s deceiving portrayals, the evidence provided by these local examples shows that communities are experimenting with different combinations of shelter, outreach, housing, enforcement, and behavioral-health interventions—*not* that any single component of those different interventions has been shown to reduce homelessness.

HUD’s characterization of Austin is illustrative. To support its determination that criminalization-oriented approaches can decrease homelessness, HUD cites to a news article claiming that Austin experienced a one-third reduction of unsheltered homelessness after instituting “a ban on public camping.”³⁶ However, this article actually points out that “Austin’s unsheltered homeless population is growing, spreading out farther from the city center and living in more secluded areas, a trend that’s likely a result of the city’s 2-year-old ban on public camping.”³⁷ Consequently, while the count of unsheltered homeless people had dropped by a third in downtown since 2020, areas further from downtown saw *increases* in this population over the same time.³⁸ In other words, the camping ban was, according to the article, followed by a “dispersal,” rather than a reduction, of unsheltered homeless individuals in Austin.³⁹ And even assuming that there *was* a meaningful decline in this population during this period, HUD ignores further context and tremendous efforts by Austin to reduce homelessness. For example, the City had implemented a wraparound program, now called the Homeless Encampment Management initiative, just months before the City’s May 2021 vote reinstating the camping ban.⁴⁰ This initiative focuses on Housing First approaches that braid outreach, enforcement, and shelter

³⁵ See, e.g., *id.* at 57,901, 57,905–06.

³⁶ *Id.* at 57,915.

³⁷ Katy McAfee & Ben Thompson, *Austin’s Homeless Population Dispersing After 2 Years of Camping Ban Enforcement*, Community Impact (May 25, 2023), <https://communityimpact.com/central-austin/city-county/austins-homeless-population-dispersing-after-2-years-of-camping-ban-enforcement/>.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ City of Austin, *Housing-Focused Encampment Assistance Link (HEAL) Initiative*, <https://www.austintexas.gov/homeless-strategies/housing-focused-encampment-assistance-link-heal-initiative>.

citywide.⁴¹ Pursuant to the program, the Austin City Council appropriated nearly \$70 million in 2021 to fund a combination of solutions.⁴² HUD omits any mention of the contribution that these contemporaneous interventions may have made to Austin’s progress on tackling homelessness.

HUD’s analysis of overdose deaths is also flawed. For example, the Notice cites a New York City statistic that 10% of the city’s overdose deaths occurred in single-room occupancy (SRO) or supportive housing settings, compared to 4% in shelters, and then incorrectly concludes that “the Permanent Supportive Housing environment may be more dangerous than shelter settings.”⁴³ As an initial matter, the 10% data point encompasses both supportive housing and non-supportive SRO housing. Second, the cited figures record *where* deaths occurred, not the risk of death for the people living in each setting. If HUD’s logic were to be applied more broadly, private homes, where 58.5% of 2023 overdose deaths occurred, would be the most dangerous housing setting and should be deprioritized. Third, unlike shelters, which serve a broad range of people experiencing homelessness on any given night, supportive housing is targeted by design and in line with longstanding HUD policy to serve people dealing with chronic homelessness, substance use disorders, and serious mental illness.⁴⁴ Finally, the 2023 study HUD cites found that tenants feared losing their housing under lease rules prohibiting drug use, and that this fear may lead them to use drugs alone, in settings where it is unlikely that anyone can respond, to avoid detection. Its authors caution that overdose risk in supportive housing “should not be misconstrued as an argument against PSH,” and that eviction itself is associated with higher overdose mortality. HUD should correct its characterization of New York City’s data, and any drug-free housing designation should exclude prescribed medications for opioid use disorder and should not reward exits to homelessness for drug use alone.

Anchorage provides yet another example of HUD’s flawed reasoning. HUD’s Notice ties Anchorage’s elimination of major homeless encampments to the city’s investments in behavioral health treatment and public safety partnerships.⁴⁵ But in the very source it cites for this claim, a city leader stated: “No single strategy solved this ... Not enforcement alone. Not housing alone. Not treatment alone. The difference was a policy choice to coordinate the system: pairing public

⁴¹ See Austin, Tex., Resolution No. 20210204-049, (Feb. 4, 2021) (quoting Homeless Strategy Off., City of Austin, *Update from the Homeless Strategy Office* (Aug. 15, 2019)).

⁴² Those solutions spanned housing; social, physical, and behavioral health services; and services for those living unsheltered in encampments, including food and personal hygiene. *Id.*

⁴³ Notice, 91 Fed. Reg. at 57,912, citing to 2023 Department of Health and Mental Hygiene (NYC Health Department) Epi Data Brief. HUD also relied on outdated data. The NYC Health Department’s 2024 data, published eleven months before the Notice, show that overdose deaths fell 24% in SRO and supportive housing settings and 25% in shelters, following sustained City investment in overdose prevention.

⁴⁴ City data show that 44% of supportive housing residents have a confirmed substance use disorder documented in their application.

⁴⁵ Notice, 91 Fed. Reg. at 57,905.

safety, outreach, shelter access, housing placement, and behavioral health investment.”⁴⁶ That approach describes the holistic, housing-plus-wraparound-services model that is central to Housing First.⁴⁷ Anchorage exemplifies precisely the point that HUD’s revised funding priorities should not obscure: local governments may achieve progress in tackling homelessness by combining a variety of interventions suited to and responsive to their particular communities’ circumstances.

And, finally, HUD’s Notice paints an incomplete picture of Boston’s experience with opioid overdose fatalities among its homeless population, obscuring the role that permanent housing played in *decreasing* these tragic outcomes. HUD claims that “[i]n Boston, the opioid overdose fatality rate among the homeless population increased by more than 1400 percent between 2013 and 2018.”⁴⁸ But the referenced study was limited to a specific cohort of homeless individuals served by one provider, and the data reflected the surging synthetic opioid mortality rate during that five-year timespan.⁴⁹ During this period, overdoses surged not only in Boston but also nationwide. From 2011 to 2015, the rate of unintentional overdose mortality increased by more than fortyfold.⁵⁰ The data is less dramatic when considered over a broader time horizon: Boston Public Health Commission data shows that drug overdose mortality associated with use of fentanyl in combination with cocaine (the most common combination among overdose deaths in Boston) increased by 191% between 2017 and 2022.⁵¹ Since then, the situation has improved markedly: Opioid overdose deaths in Boston plunged 56% between 2023 and 2025.⁵² These successes have been supported by Boston’s commitment to permanent housing, as well as other public health interventions driven by community expertise, not federal fiat.

Where HUD misrepresents or cherry-picks from the experiences of the localities on which it bases its determinations, conflates correlation with causation, or omits material countervailing

⁴⁶ Press Release, Anchorage Assembly, Chair Constant Statement on Homelessness Milestone (Mar. 3, 2026), <https://www.muni.org/Departments/Assembly/PressReleases/Pages/Chair-Constant-Statement-on-Homelessness-Milestone.aspx>.

⁴⁷ Further, Anchorage’s CoC plan emphasizes that “housing is the solution to homelessness” and cities’ lack of affordable housing is the root cause of homelessness. See Anchorage Continuum of Care, *Anchored Home 2023–2028 Strategic Plan* 1 (2023).

⁴⁸ Notice, 91 Fed. Reg. at 57,911.

⁴⁹ HUD cited (see Notice, 91 Fed. Reg. at 57,911) to Caroline Cawley et al., *Mortality Among People Experiencing Homelessness in San Francisco During the COVID-19 Pandemic*, 5 JAMA Network Open e221870 (2022), which referenced data from Danielle R. Fine et al., *Drug Overdose Mortality Among People Experiencing Homelessness, 2003 to 2018*, 5 JAMA Network Open e2142676 (2022).

⁵⁰ Rsch. & Evaluation Off., Bos. Pub. Health Comm’n, *Health of Boston 2016–2017* (2017), https://www.boston.gov/sites/default/files/file/2021/03/_HOB_16-17_FINAL_SINGLE%20PAGES-Revised%20Feb%202019.pdf.

⁵¹ Rsch. & Evaluation Off., Bos. Pub. Health Comm’n, *Health of Boston 2024: The Substance Use and Disorders Report* 38 (2024), https://www.boston.gov/sites/default/files/file/2024/06/HOB_SUD_2023_1Apr2024.pdf.

⁵² Bos. Pub. Health Comm’n, *New Data Show Fewest Opioid Overdose Deaths in Boston in a Decade* (June 23, 2026), <https://www.boston.gov/news/new-data-show-fewest-opioid-overdose-deaths-boston-decade>.

evidence, its conclusions about the effectiveness of its proposed policy interventions lack the statutorily required basis. Consequently, HUD’s determinations and action based thereon are arbitrary and capricious, and the agency exceeded its statutory authority when it relied on this “research” to justify its Notice.⁵³

B. Contrary to HUD’s dearth of reliable evidence, local governments’ experiences and evidence demonstrate the success of Housing First and permanent supportive housing.

Communities have spent years developing homelessness-response systems that reflect their local populations, provider networks, and institutional capacities. Those systems include permanent supportive housing, rapid rehousing, transitional housing, emergency shelter, coordinated entry, outreach, and specialized services all tailored to the needs of the local community. HUD’s proposed overhaul of federal funding priorities risks disrupting and, in some cases, displacing those locally developed approaches before communities have an opportunity to continue evaluating and refining them to meet their unique needs.

Consider, for example, Boston’s success with permanent housing. Boston has successfully achieved nation-leading rates of unsheltered homelessness and sharp reductions in overdose mortality through a wide variety of public health interventions, including permanent housing programs funded by CoC funds. After the COVID-19 pandemic, Boston was able to safely and humanely eliminate an encampment in the city by moving people through low-threshold shelters, without sobriety requirements, into permanent housing. An evaluation of the program found that guests in the low-threshold shelters were placed in permanent housing at 2.2 times the rate of guests in traditional dry (*i.e.*, abstinence-based or high-barrier) shelters.⁵⁴ The success of Boston’s approach to meeting the needs of the City’s most challenging cases is evident in the HUD Point in

⁵³ See 5 U.S.C. § 706(2)(A). In *Motor Vehicle Manufacturers Association v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 43 (1983), the Court held that an agency acts arbitrarily and capriciously when it offers an explanation that runs counter to the evidence before it. Here, HUD’s cited evidence does not establish the causal effectiveness required to satisfy the statutory precondition for incentivizing its preferred interventions. What’s more, HUD’s self-acknowledged reversal of the direction of its prior policy requires—but lacks—a reasoned explanation for the change. Under *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009), an agency is free to change course from prior or even longstanding practice, but it must supply a reasoned explanation for the change and address its departure from prior policy with attention to the facts and circumstances underlying the prior policy. Here, HUD recognizes that it dramatically de-prioritized transitional housing and supportive-services-only projects starting in 2013. But, if the evidence it cites in this NOFO is meant to show that these projects are “proven effective,” this begs the question of why HUD previously deprioritized these strategies for more than a decade, and what new and previously unavailable evidence justifies its reversal of policy direction.

⁵⁴ S. Yang et al., *Boston Low-Threshold Shelters (LTS) Expand Access to Housing for Chronically Unsheltered People with Substance Use Disorder, Findings From a Comparison Analysis*, Presentation at the BMC Grayken Center Together for Hope Conference (Apr. 2026), <https://communityhealth.org/publications/boston-low-threshold-shelters-lts-expand-access-to-housing-for-chronically-unsheltered-people-with-substance-use-disorder-findings-from-a-comparison-analysis/>.

Time census count data, which shows that Boston’s CoC has a rate of just 1.9 unsheltered homeless individuals per 10,000 residents, one of the lowest rates among major American cities.⁵⁵

Santa Clara County presents another example of the effectiveness of HUD’s longstanding intervention priorities. The County reports that its homelessness-response system connected nearly 17,500 individuals to permanent housing between 2020 and 2024, including 3,789 through permanent supportive housing—95% of whom remain housed.⁵⁶ The County’s experience with temporary housing, on the other hand, has been less promising. In 2024, only 22% of people who were served in temporary housing exited to permanent housing, while the remaining 78% either remained in shelter or returned to the street or their vehicles.⁵⁷ And of those who did exit to permanent housing, half did so with the support of a housing subsidy.⁵⁸

New York City’s CoC data similarly demonstrate the effectiveness of permanent housing models in achieving housing stability. In calendar years 2024 and 2025, the rate of people maintaining housing or exiting to a permanent destination averaged over 97% for permanent supportive housing (PSH). Rapid rehousing, another permanent housing intervention, achieved an average permanent exit rate of 77% over the same period. By comparison, among people residing in transitional housing, only 53% exited to permanent destinations on average for 2024 and 2025. These outcomes underscore the value of prioritizing permanent housing models: PSH combines long-term housing with ongoing supportive services, while rapid rehousing helps people secure permanent housing through time-limited assistance. Transitional housing can be an important short-term option for people who are not yet able to be placed directly into permanent housing, but these outcomes demonstrate the importance of ensuring that localities can continue to prioritize pathways that achieve lasting housing stability.

As a final example, the Tucson/Pima CoC encompasses programs serving distinct populations and needs.⁵⁹ Tucson reports that access to continuous CoC funding has allowed the Tucson/Pima CoC to develop stable permanent-housing programs that have achieved greater than 95% positive outcomes.⁶⁰ The City further explains that its programs were developed in reliance on stable HUD funding and consistent program priorities and that a sudden change in those priorities would require the CoC to redesign its programming, compromising its ability to continue

⁵⁵ Gaither Stephens, *Homelessness Rates by Continuum of Care, 2007–2025*, Gaither Research (May 2026), <https://gaitherresearch.org/research/homelessness-rates> (select “2025,” “Unsheltered,” and “per 10,000” and then, under “Browse by CoC,” select “Major City CoC”).

⁵⁶ Decl. of Kathryn J. Kaminski ¶ 40, *Nat’l All. to End Homelessness v. U.S. Dep’t of Hous. & Urb. Dev.*, No. 25-636-MSM-AEM (D.R.I. Dec. 1, 2025), ECF No. 7-9.

⁵⁷ *Id.* ¶ 42.

⁵⁸ *Id.*

⁵⁹ Decl. of Ann Chanecka ¶¶ 5–9, *Nat’l All. to End Homelessness v. U.S. Dep’t of Hous. & Urb. Dev.*, No. 25-636-MSM-AEM (D.R.I. Dec. 1, 2025), ECF No. 7-11.

⁶⁰ *Id.* ¶ 17.

providing stable services for vulnerable community members.⁶¹ Tucson’s experience underscores that local innovation depends not only on access to federal resources, but also on communities’ ability to determine how those resources should be allocated among different interventions.

Whatever policy judgment HUD may make about the appropriate role of transitional housing on a national level, these local jurisdictions’ experiences and outcomes reinforce that local communities need discretion to determine how to properly balance temporary against permanent interventions based on municipality-specific outcomes and data. Pulling the rug out from under Local Governments so abruptly after they have painstakingly built strong partnerships and systems will cause great harm.

V. THE NOTICE FAILS TO ADDRESS THE IMMEDIATE, TANGIBLE IMPACTS OF THIS DRAMATIC FUNDING SHIFT

A. HUD has failed to consider the significant and immediate harm its proposed policy change will cause to vulnerable populations.

The Notice attempts to justify a drastic and abrupt action that threatens to push up to 97,000 people, now stably housed and many with overlapping vulnerabilities, back into homelessness.⁶² In proposing this shift, HUD has both “entirely failed to consider an important aspect of the problem [and] offered an explanation for its decision that runs counter to the evidence before the agency.” *See Motor Vehicle Mfrs. Ass’n of United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). This is not news to HUD. The record before the agency, as put forth in *NAEH v. HUD*, extensively demonstrates the widespread and dangerous consequences of the agency’s decision to slash funding for permanent housing. Vulnerable and historically marginalized populations—including youth, domestic violence survivors, persons with disabilities, the elderly, and Black and Brown populations—will be disproportionately harmed by the actions that this Notice attempts to support. HUD’s failure to consider how its proposed approaches fail to meet the needs of these particular populations is fatal to this Notice, providing yet another reason that it should be rescinded.

For domestic violence survivors, permanent housing is one of the most effective tools for exiting homelessness and addressing the harms suffered by survivors and their families. Lack of safe and affordable housing is considered one of the primary barriers to escaping situations of domestic violence, as almost all survivors experience financial abuse as a part of a larger pattern of mistreatment. Among the many reasons a domestic violence survivor may not be able to access housing are the obstacles that HUD proposes to integrate into the CoC system, such as sobriety

⁶¹ *Id.* ¶¶ 21–25.

⁶² *See Nat’l All. to End Homelessness, Changes to HUD Policy Threaten Efforts to End Homelessness: At Least 97,000 People Could Lose Housing* (June 2, 2026), <https://endhomelessness.org/resources/hud-policy-changes-threaten-efforts-to-end-homelessness/>.

requirements for a survivor for whom addiction was part of a pattern of abuse.⁶³ The HUD CoC program, as it has historically operated, has been vital to allowing survivors to escape and move on from abuse.⁶⁴ Forced participation in treatment or programming, as proposed in the Notice, is difficult to reconcile with other federally funded programs for housing domestic violence survivors.⁶⁵

Another community acutely affected by homelessness is youth. As many as 4.2 million young people aged 13 to 25 in America are estimated to experience homelessness each year.⁶⁶ The major risks that housing insecurity poses to developmental, social, and health outcomes are particularly concerning for young people, who often have histories marked by complex traumatic experiences that may have led them to face insecurity to begin with.⁶⁷ For example, LGBTQ youth may face rejection from their family, while other young people may struggle with issues such as truancy or substance abuse. Without access to stable, low-barrier options, youth facing housing insecurity also face risks of trafficking, gender and/or sexual orientation discrimination, and victimization.⁶⁸ Thus, they require specialized supports and trauma-informed approaches as part of homelessness prevention interventions.

HUD also gives short shrift to the implications of its actions for persons living with disabilities. Strikingly, more than 85% of PSH residents fall into this category.⁶⁹ The changes that HUD introduced in its FY 2026 NOFO, which this Notice purports to support, threatened tens of thousands of disabled individuals with imminent homelessness.⁷⁰ As of 2022, 40% of PSH residents are over age 55, and this percentage has been increasing in recent years.⁷¹ For older adults and individuals with disabilities, housing insecurity threatens downstream risks of major health

⁶³ See Nat'l Hous. L. Project, *Fair Housing and Domestic Violence*, <https://www.nhlp.org/initiatives/fair-housing-housing-for-people-with-disabilities/fair-housing-and-domestic-violence/>.

⁶⁴ See Nat'l Network to End Domestic Violence, *The Impact of Safe Housing on Survivors of Domestic Violence* (Nov. 27, 2017), https://nnedv.org/spotlight_on/impact-safe-housing-survivors/.

⁶⁵ See U.S. Dep't of Just., Off. on Violence Against Women, *Transitional Housing Program Fact Sheet* (updated June 10, 2026), <https://www.justice.gov/ovw/transitional-housing-program-fact-sheet> (noting the availability of “[v]oluntary support services” (emphasis added) and stating: “Survivors must not be required to engage in services to receive housing support.”).

⁶⁶ Interagency Working Grp. on Youth Programs, *Rates of Homelessness*, Youth.gov, <https://youth.gov/youth-topics/homelessness-and-housing-instability/rates>; see also Matthew Morton et al., *Prevalence and Correlates of Youth Homelessness in the United States*, 62 J. Adolescent Health 14 (2018).

⁶⁷ Julia Woodhall-Melnik et al., *Housing First for Youth Who Experience Homelessness: A Systematic Review*, 61 Urb. Affairs R. 1381, 1384 (2025), <https://doi.org/10.1177/10780874251314838>.

⁶⁸ *Id.*

⁶⁹ Community Solutions, *Impact Assessment: FY 2025 CoC NOFO Implications for Older Adults in Permanent Supportive Housing* (2026), <https://community.solutions/research-posts/impact-assessment-fy-2025-coc-nof-implications-for-older-adults-in-permanent-supportive-housing>.

⁷⁰ *Id.*

⁷¹ *Id.*

crises and institutionalization. Institutional care is far costlier for the government (and ultimately for taxpayers) compared to independent and integrated living.⁷²

Individuals who have substance use disorders (SUD) will also suffer disproportionately from HUD’s proposal. SUD affects approximately a third of people experiencing homelessness.⁷³ HUD spills much ink acknowledging the prevalence of individuals struggling with SUD among potential CoC program beneficiaries—yet the agency, without citing evidence or explaining its rationale, concludes that forced treatment and sober housing should replace proven methods of addressing the confluence of SUD and homelessness.⁷⁴ The Notice ignores evidence of the health risks created by involuntary treatment for SUD, including dangerous withdrawal symptoms, increased risk of relapse, and overdose—all risks which are heightened by conditioning housing on ongoing sobriety.⁷⁵ Research on SUD demonstrates that recovery can be significantly improved by providing low-barrier, stable housing, which reduces stress that can lead to comorbidities, lowers the risk of relapse or overdose, and enables participants to engage in supportive services available to them.⁷⁶

And, finally, this Notice completely disregards how HUD’s changes will disproportionately affect Black, Latino, and other non-white populations. This is particularly galling in light of HUD’s responsibility to enforce the Fair Housing Act and its role in, or tacit approval of, discriminatory practices throughout American history that have contributed to the disproportionate impacts of housing insecurity on non-white populations.⁷⁷ A straight line between these policies connects the persistent statistic that Black, Latino, American Indian, Alaska Native, Pacific Islander, and Native Hawaiian peoples are overrepresented among the homeless population.⁷⁸ The interaction between race and homelessness, and the disparate impact that HUD’s

⁷² *Id.* For example, the annual per-resident cost for housing and services in PSH is \$16,000, compared to over \$100,000 in a Medicaid Skilled Nursing Facility. *Id.*

⁷³ Melanie J. Nicholls & Lianne A. Urada, *Homelessness and Polysubstance Use: A Qualitative Study on Recovery and Treatment Access Solutions Around an Urban Library in Southern California, USA*, 30 Health & Soc. Care Cmty. e175, e175–76 (2022), <https://doi.org/10.1111/hsc.13424>.

⁷⁴ See Notice, 91 Fed. Reg. at 57,909-12.

⁷⁵ Nicholls & Urada, *supra* note 73, at e178–81; Alexander R. Bazazi, *Unpacking Involuntary Interventions for People Who Use Drugs*, 113 Addiction 1064 (2018), <https://doi.org/10.1111/add.14202>.

⁷⁶ Deborah K. Padgett et al., *Substance Use Outcomes Among Homeless Clients with Serious Mental Illness: Comparing Housing First with Treatment First Programs*, 47 Cmty. Mental Health J. 227, 227–32 (2011), <https://pmc.ncbi.nlm.nih.gov/articles/PMC2916946/>.

⁷⁷ Richard Rothstein, *Initiating Remedies for Our Unconstitutional and Unlawful Residential Segregation*, 57 Conn. L. Rev. 1027 (2025).

⁷⁸ See Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America* (Liveright Publ’g Corp. 2017); David Gonzalez Rice & Alayna Calabro, *HUD 2025 Annual Homelessness Assessment Report Finds First Reduction in Overall Homelessness in Nearly a Decade*, Nat’l Low Income Hous. Coal. (June 1, 2026), <https://nlihc.org/resource/hud-2025-annual-homelessness-assessment-report-finds-first-reduction-overall-homelessness> (“People who identify as Black, Latino, American Indian, Alaska Native, Pacific Islander, or Native Hawaiian continue to be overrepresented among the homeless population compared to the U.S. population. Black people, for example, represent 14% of the U.S. population, but accounted for 33% of all people experiencing

proposed policy shift will have on housing-insecure Black and Latino communities in particular, is evident from research linking racial income inequality to racially disparate rates of homelessness in communities across the United States.⁷⁹ And yet, the Notice is silent as to its likely disparate impact. The Notice should be rescinded because of this fatal flaw.

B. HUD failed to consider the significant reliance interests engendered based on longstanding funding frameworks.

HUD’s proposed changes in its Notice will disrupt reliance interests, destabilize pipelines connected to longstanding interventions, and threaten existing investments in ongoing approaches and interventions. In *Department of Homeland Security v. Regents of the University of California*, the Court held that when an agency departs from established policy, it must evaluate “whether there were reliance interests, determine whether they were significant, and weigh any such interests against competing policy concerns.” 591 U.S. 1, 33 (2020). It must take seriously the consequences of disrupting the reliance interests that its own prior policies and practices have created. *Id.* at 30. Moreover, where, as here, the agency proposes such a dramatic departure from prior policy, it must “be cognizant that longstanding policies may have engendered serious reliance interests that must be taken into account.” *Id.* (internal citation omitted). HUD’s inadequate consideration of these reliance interests compounds the inadequacy of its Notice and reinforces that it should be rescinded and reconsidered.

Currently, a significant portion of jurisdictions’ grants support permanent housing in reliance on decades of HUD practice. According to the National Alliance to End Homelessness (NAEH), permanent housing makes up approximately 87% of CoC-funded projects across the country.⁸⁰ In many jurisdictions, a large percentage of permanent housing is CoC-funded.⁸¹ The NAEH found that CoC funding accounts for all or nearly all of permanent-housing funding in communities as diverse as Bryan/College Station/Brazos Valley, Texas (100% of funding), Beaver County, Pennsylvania (100%), Franklin/Essex Counties, New York (100%), Northwest North

homelessness in 2025. People identifying as Latino account for 27.5% of the homeless population. American Indian, Alaska Native, Pacific Islander, and Native Hawaiian people account for 4% of the homeless population.”).

⁷⁹ Molly K. Richard, *Homelessness and Race: The Impact of Structural Conditions on Black, White, and Latine Homelessness*, 73 Soc. Probs. 1138, 1150–53 (2026), <https://doi.org/10.1093/socpro/spaf044> (“reinforcing that homelessness is driven by housing and economic conditions,” underscoring “that individuals experience social structures—such as housing and employment—differently depending on their racial identity,” and recommending that, “[t]o effectively and equitably address homelessness, we must move beyond colorblind approaches to research and policy”).

⁸⁰ Ann Oliva, *CEO Corner: Week of September 29*, Nat’l All. to End Homelessness (Sept. 30, 2025), <https://endhomelessness.org/blog/ceo-corner-week-of-september-29/>.

⁸¹ Nationwide, at least 41% of PSH was CoC-funded. Samantha Batko & Pear Moraras, *Evidence Shows Permanent Supportive Housing Helps People Exit Homelessness. A Proposed Funding Change Would Cut Those Programs*, Urb. Inst. (Nov. 18, 2025), <https://www.urban.org/urban-wire/evidence-shows-permanent-supportive-housing-helps-people-exit-homelessness-proposed>.

Carolina (100%), Central Tennessee (100%), Deltona/Daytona Beach/Volusia & Flagler Counties, Florida (96%), and Topeka/Shawnee County, Kansas (94%).⁸²

Accordingly, jurisdictions across the nation have invested significantly in housing models that align with this historical prioritization of permanent-housing programs through the CoC program competition.⁸³ Forcing jurisdictions to divert a large portion of funds from permanent housing toward transitional housing and HUD’s other new priority interventions will disrupt this reliance and wreak havoc on communities. In direct defiance of the statutory goal of “minimizing the trauma and dislocation caused to individuals, families, and communities by homelessness,” 42 U.S.C. § 11381(2), HUD’s shift in priorities stands to displace large numbers of people currently dependent on permanent housing. For example, HUD’s proposal threatens to strip housing from 5,105 people in Illinois, 2,080 people in Connecticut, 5,148 people in Pennsylvania, and 2,679 people in Massachusetts.⁸⁴ What this means on the ground is that localities will see formerly unhoused individuals who have lost their permanent housing return to encampments, streets, or abandoned structures. In jurisdictions with anti-camping and similar ordinances, unsheltered individuals will face potential arrest and criminal penalties. This displacement will result in increased reliance by displaced populations on high-cost public services that Local Governments provide, such as psychiatric institutions, emergency rooms, and emergency shelters.⁸⁵ The costs of these public services will, in turn, be borne by taxpayers.⁸⁶

Moreover, if allowed to stand, the changes proposed in this Notice will disrupt investments made, contracts signed, assistance granted, relationships cultivated, and long-term plans and strategies designed based thereon. Most devastatingly of all, it will disrupt sorely needed services rendered to some of our communities’ most vulnerable populations. In jurisdictions such as Tucson and Boston, for example, nonprofit partners face the prospect of having to choose between cutting and restructuring their programming or foregoing CoC funding altogether.⁸⁷ Boston CoC’s

⁸² See Nat’l All. to End Homelessness, *supra* note 62.

⁸³ See, e.g., Kaminski Decl. ¶ 12; Chanecka Decl. ¶ 34.

⁸⁴ See Nat’l All. to End Homelessness, *supra* note 62.

⁸⁵ This displacement will strain the shelter capacity of several jurisdictions—with the potential for devastating results for the populations who cannot access shelters. In cities such as Tucson, where local shelters will be unable to house the additional people who stand to be displaced, these displaced populations will face life-threatening risks living on the street, as evidenced by the increase of heat-related and other deaths among unsheltered persons in recent years. Chanecka Decl. ¶¶ 15–21.

⁸⁶ A 2015 analysis found that, in Massachusetts, permanent supportive housing programs save taxpayers \$13,401 per person per year. Decl. of Sheila A. Dillon ¶ 8, *Nat’l All. to End Homelessness v. U.S. Dep’t of Hous. & Urb. Dev.*, No. 25-636-MSM-AEM (D.R.I. Dec. 1, 2025), ECF No. 7-5.

⁸⁷ Chanecka Decl. ¶¶ 21, 25; Dillon Decl. ¶¶ 16–17. Indeed, providers are already “reluctantly making changes to comply with new government policies,” with planned permanent-housing projects being scrapped and nonprofits considering converting permanent housing into temporary units. Laura Ungar & Geoff Mulvihill, *What Trump’s Homelessness Policy Means for the Most Vulnerable*, Associated Press (Sept. 30, 2026), <https://apnews.com/article/trump-homelessness-executive-order-healthcare-0e286f5084fc29468a0219901959b4ab>.

Coordinated Access System even paused referring new clients to certain permanent-housing programs funded by these grants in late 2025 because of anticipated funding disruptions.⁸⁸ In cases where these trusted partners do miss out on CoC funding because they cannot restructure their programming, jurisdictions will lose the benefit of experienced partners. This will compromise their capacity and ability to provide stable services for vulnerable community members. Some communities are already seeing planned projects stopped dead in their tracks. In Corbin, Kentucky, for example, Volunteers of America Mid-States worked with Eastern Kentucky University and other partners to build a PSH project that would have provided childcare and educational benefits for residents. HUD's abrupt change in funding, as proposed in this Notice, contributed to the cancellation of this project.⁸⁹

To make matters worse, gaps between when awards under the new criteria are announced or issued and when they are actually received will lead to applicant organizations—specifically, those that have limited capital reserves and no guarantee that they will ultimately receive funding—needing to break leases and evict residents, which, again, will have lasting harmful consequences for vulnerable communities.⁹⁰ Interruption of these programs will disrupt rental assistance payments made to local landlords, causing them hardship and disrupting not only landlord-tenant relationships but also relationships between CoC programs and landlords, making them less inclined to work with CoC programs in the future.⁹¹

The abrupt nature of the sweeping changes the Notice attempts to justify has also disrupted jurisdictions' reliance interests in the very process of applying for and administering funding.⁹² The sudden shift in priorities will require a complete discarding of prior processes, systems, and materials developed over the years and a reinvention of local competitions with the new (unproven) criteria.⁹³ These abrupt changes also threaten severe operational harms.⁹⁴ Many CoCs are required by federal and state grant-related requirements to have various systems in place, including systems for data collection, analysis, and reporting, in connection with their programming.⁹⁵ If they cannot retain the grant funds that support these systems, programs and services could suffer, as remaining resources must be used to support mandatory compliance. Loss of grant funding could also result in loss of dedicated public servants and other resources that make

⁸⁸ Dillon Decl. ¶ 18.

⁸⁹ Kelly Young, *When Housing Becomes Leverage*, Dispatches from Kentucky (Oct. 1, 2026), <https://www.dispatchesfromkentucky.com/p/when-housing-becomes-leverage>.

⁹⁰ Dillon Decl. ¶ 19; Chanecka Decl. ¶¶ 22–23.

⁹¹ Chanecka Decl. ¶ 33.

⁹² Notably, HUD had set the expectation that its NOFO issued on July 31, 2024, would serve as the basis for the award of funding for all CoC-funded projects in FY 2024 and FY 2025, and grantees had planned their budgets and programming accordingly. Dillon Decl. ¶¶ 9–13.

⁹³ See, e.g., Decl. of Ann Marie Oliva ¶ 160, *Nat'l All. to End Homelessness v. U.S. Dep't of Hous. & Urb. Dev.*, No. 25-636-MSM-AEM (D.R.I. Dec. 1, 2025), ECF No. 7-1.

⁹⁴ *Id.* ¶¶ 150-161.

⁹⁵ See, e.g., *id.* ¶ 104.

possible the delivery of these critical services, management of programs, and administration of contracts and grants.

Local jurisdictions will also bear new and significant costs under this Notice and its corresponding proposed NOFOs. HUD itself has acknowledged that transitional housing is more expensive because of its service intensity and associated costs; the Notice cites a 2010 HUD research report finding that transitional housing is the most expensive model as compared to shelter and permanent housing.⁹⁶ Consider, for example, the role of supportive service participation agreements in HUD’s new model. These agreements are meant to compel participants to participate in various kinds of services tailored to their individual circumstances as a condition of access to assistance. Administering such agreements—including through developing individualized requirements, coordinating services, and monitoring or enforcing compliance—will impose substantial additional costs on CoCs.

HUD fails to adequately address the financial implications this shift will have for CoCs, especially in underserved or overstretched jurisdictions. HUD has previously characterized CoC programs as facilitating effective management of HUD’s homeless assistance programs by, in part, “reducing the costs to governmental jurisdictions and private nonprofit organizations in applying for and using assistance.”⁹⁷ Yet, this shift in priorities runs directly counter to this goal.

HUD’s failure to engage in meaningful consideration of these interests here is especially unacceptable, as the reliance interests at stake are substantial and readily foreseeable. Every year, HUD has administered a competition that has prompted jurisdictions to develop long-term homelessness-response solutions—including for permanent supportive housing—around the reasonable expectation of continued CoC funding. Jurisdictions do not make these funding decisions from scratch in a vacuum each year; they depend heavily on renewals of existing grants, which historically have constituted an overwhelming portion of CoC funding.⁹⁸ Indeed, in FY 2024, 88% of funds went to renewing existing grants.⁹⁹ As the jurisdiction-specific figures above show, HUD’s longstanding funding structure did not simply influence policy preferences but actually came to anchor the housing infrastructure on which many communities depend. Thus, HUD’s failure to identify, assess, and weigh the substantial reliance interests created by its longstanding CoC funding policies renders the Notice and any NOFO relying on the same arbitrary and capricious under 5 U.S.C. § 706(2)(A). *See Regents*, 591 U.S. at 30–33; *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211, 221–22 (2016); *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009).

⁹⁶ Notice, 91 Fed. Reg. at 57,908 (citing U.S. Dep’t of Hous. & Urb. Dev., *Bridging the Gap: Homelessness Policy*, 1 Insight (2011)). Indeed, it also acknowledged that the costs of transitional housing featured centrally in its motivations for moving away from transitional housing in the first place. *Id.*

⁹⁷ U.S. Dep’t of Hous. & Urb. Dev., *FY 2000 Budget Summaries: Homeless Assistance Grants*, HUD Archives, <https://archives.hud.gov/budget/fy00/summary/cpd/hag.cfm>.

⁹⁸ Cong. Rsch. Serv., IN12709, *HUD’s FY2026 Continuum of Care Program Competition* (Sept. 18, 2026), <https://www.congress.gov/crs-product/IN12709>.

⁹⁹ *Id.*

VI. CONCLUSION

For the foregoing reasons, the undersigned Local Governments hereby request that the Agency rescind its Notice of Research Justifying Additional Incentives for Certain Activities to Reduce Homelessness.

Respectfully,

Local governments and local government leaders

Allegheny County, Pennsylvania
The City of Baltimore, Maryland
The City of Beaverton, Oregon
The City of Boston, Massachusetts
The City of Cambridge, Massachusetts
The City of Chicago, Illinois
The City of Cincinnati, Ohio
The County of Santa Clara, California
Hennepin County, Minnesota
Martin Luther King, Jr. County, Washington
The Metropolitan Government of Nashville and Davidson County, Tennessee
The City of New Haven, Connecticut
The City of New York, New York
The City of Pasadena, California
The County of San Mateo, California
The City of Seattle, Washington

John Clark
Mayor, Town of Ridgway, Colorado