Letter to be sent to appropriations committee and subcommittee leadership

As organizations working at the local, state, and national levels across housing, disability, child welfare, justice, and aging, we are committed to ensuring that individuals and families with complex health needs and disabilities can secure and sustain stable housing. We urge Congress to sustain and strengthen targeted federal investments through HUD, Treasury, DOJ, and HHS to support strong communities.

Sustained federal investment in housing resources is essential to completing affordable housing developments already underway, encouraging continued private sector engagement, and fostering landlord participation in leasing to individuals with complex needs. These investments provide a critical foundation that enables communities to leverage local, state, and private funding to address homelessness through cost-effective solutions that promote housing stability and long-term success.

### **Supportive Housing: Meeting Complex Disabilities with Housing and Services**

Supportive housing is an evidence-based, fiscally responsible solution that combines affordable, permanent housing with intensive support services to help individuals with complex health needs and disabilities achieve stability and independence. It is especially critical for older adults, youth exiting foster care, and others with long-term or chronic disabilities who face elevated risk of episodic or long-term homelessness. By preventing unnecessary institutionalization, incarceration, shelter stays, and even premature death on the streets, supportive housing generates both societal and economic returns.

As housing costs continue to rise, the need for supportive housing has become even more urgent. Between 2020 and 2023, rents increased by approximately 28 percent nationwide[[1]](#endnote-1). This rise in housing costs is a well-documented driver of homelessness, particularly for individuals and families with limited incomes. According to both Zillow and the U.S. Government Accounting Office, when median rent exceeds 32 percent of area median income, homelessness tends to increase more rapidly. On average, a $100 increase in median rent is associated with a 5 to 9 percent increase in homelessness across the United States[[2]](#endnote-2),[[3]](#endnote-3). These findings underscore the urgent need for stable, affordable housing solutions like supportive housing, which not only prevent homelessness but also reduce reliance on costly crisis systems.

A national assessment by Corporation for Supportive Housing (CSH) found that more than 1.125 million households across the country need supportive housing[[4]](#endnote-4). This population includes individuals and families experiencing chronic homelessness, people with disabilities, and those transitioning from institutional care settings such as hospitals, psychiatric facilities, nursing homes, correctional institutions, and foster care.

Supportive housing is intentionally non-time-limited, providing a stable environment where tenants can address complex health needs and disabilities. While many residents eventually transition to other housing, continued support is essential for those who require it.

Addressing these needs calls for a coordinated, strategic investment approach that leverages public-private partnerships and aligns funding streams at the federal, state, and local levels. This includes capital to build and preserve housing, operating investments to maintain long-term affordability, and robust service funding to help residents achieve long-term success.

### **Federal Budget Request: Strategic Support for Cost-Effective Solutions**

Federal funding serves as the central cornerstone to the supportive housing model. It provides foundational resources upon which state, local, and private investments are leveraged, enabling communities to deliver cost-effective, results-driven solutions for individuals with disabilities who are experiencing or at risk of homelessness. These investments also support upstream interventions within health, justice, aging, and child welfare systems to prevent housing instability before it begins.

Supportive housing developments are made possible through the careful braiding of multiple federal funding sources, including:

* **HUD** provides core housing capital and rental assistance through programs such as HOME, CDBG, the National Housing Trust Fund, HOPWA, and Section 202 and 811. Operational and service funding is supported through Continuum of Care (CoC), Emergency Solutions Grants (ESG), and targeted programs like the Youth Homelessness Demonstration Program (YHDP) and Emergency Housing Vouchers.
* **Treasury** supports development financing through the Low-Income Housing Tax Credit (LIHTC) and the Community Development Financial Institutions (CDFI) Fund, which enable private investment in supportive housing.
* **HHS** delivers critical service funding through SAMHSA and HRSA programs like the Mental Health and Substance Use Block Grants, PATH, and Community Health Centers, Maternal and Child Health Program, and the Ryan White Program. ACF and ACL fund services for youth, families, and older adults through programs such as the Promoting Safe and Stable Families, Runaway and Homeless Youth Program, Chafee Education and Training Vouchers, Community Services Block Grant, and Home and Community-Based Supportive Services.

Proposals to consolidate key federal programs, introduce time-limits, and reduce funding without preserving the evidence-based components of supportive housing will affect housing stability, limit future development, and increase strain on local systems already working at capacity. The consolidation of Tenant-Based and Project-Based Rental Assistance into a single block grant, along with the grouping of the Continuum of Care (CoC) and Housing Opportunities for Persons with AIDS (HOPWA) into the Emergency Solutions Grants (ESG) program, would significantly disrupt the supportive housing infrastructure that has helped communities across the country manage resources effectively and achieve meaningful outcomes over the last 10 years.

While homelessness has seen a significant rise during the last two years and ESG is an essential tool for emergency response, supportive housing requires a different set of long-term, service-oriented supports that the CoC funding and housing vouchers are specifically designed to provide. These funding streams provide long-term, reliable rental assistance and services support that are often committed years in advance and serve as the financial backbone for housing projects developed over decades.

Changes to these resources could significantly impact financing for developments already underway, discourage developers from pursuing future projects, and make landlords more reluctant to lease units to individuals with complex needs. Such a shift would undermine the infrastructure that communities have built over decades to address homelessness and would likely lead to increased homelessness, more encampments, and greater strain on emergency services and public safety systems. This, in turn, would drive up long-term public expenditures at the city, state, and federal levels. Preserving stable housing solutions is a fiscally responsible strategy that supports individual self-sufficiency and strengthens community well-being.

We strongly urge Congress to fully fund key supportive housing and service programs across multiple federal agencies. When necessary, this includes addressing gaps in the FY25 continuing resolution to reflect inflation and fair market rent (FMR) adjustments, as well as accounting for rising development costs nationwide. A detailed breakdown of our funding request is included in Appendix A.

For further information or to discuss this issue, please contact Kara Mergl, Director of Policy and Government Affairs at the Corporation for Supportive Housing, at kara.mergl@csh.org.

Thank you,

### **Appendix A: Summary of Federal Funding Request for Supportive Housing**

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| --- | --- | --- | --- |
| Agency | Program | Funding Level | Adjustment from FY25 CR |
| *HUD* | Tenant-Based Rental Assistance – Renewals + Admin Fees | $36 billion | Adjust for FMR and inflation, addresses FY25 shortfall |
| Family Unification Program Vouchers | $30 million | No change |
| Project-Based Rental Assistance - Renewals + Admin Fees | $18.05 billion | Adjust for FMR and inflation |
| Section 202 Vouchers – Housing for the Elderly  | $931 million | No change |
| Section 811 Vouchers | $257 million | No change |
| Emergency Housing Vouchers  | 60,000 vouchers | Annual funding until vouchers expire through natural attrition |
| Community Development Block Grant (CDBG) | $3.3 billion | Minimum Request |
| HOME Investment Partnerships Program | $1.625 billion | Increase: +$375 million to align with reconciliation LIHTC expansion |
| Housing Opportunities for Persons with AIDS (HOPWA) | $552.9 million | Adjust for FMR and inflation |
| Continuum of Care (CoC) Program | $4.2 billion | Adjust for FMR and inflation, addresses FY25 shortfall, +$25 million increase cost of living adjustment for workforce |
| Emergency Solutions Grants (ESG) | $500 million | Increase: +$210 million to address rise in unsheltered homelessness  |
| Youth Homeless Demonstration Program (YHDP) | $132 million | Increase: +$25 million to expand program and establish permanence of demo |
| Homeless Management Information Systems (HMIS)  | $7 million | No change |
| Homeless Technical Assistance | $25 million | No change |
| Family Self Sufficiency | $125 million | No change |
| Resident Opportunity and Self-Sufficiency (ROSS) | $35 Million | No change |
| *Treasury* | Community Development Financial Institution (CDFI) Fund | $324 million | Minimum Request  |
| *DOJ* | Second Chance Act – Pay for Success | $7.5 million | No change: includes $5 million for supportive housing programs |
| *HHS-SAMHSA* | Community Mental Health Services Block Grant | $1 billion  | No change |
| Substance Use Prevention and Treatment  | $4.6 billion | No change |
| Projects for Assistance in Transition from Homelessness | $67 million | No change |
| Certified Community Behavioral Health Clinics | $385 million  | No change |
| *HHS-HRSA* | Community Health Centers Programs | $1.9 billion | No change |
| Ryan White HIV/AIDS Program | $2.571 billion | No change  |
| Maternal and Child Health Block Grants | $1.17 billion | No change |
| *HHS-ACF* | Promoting Safe and Stable Families  | $63.1 million | No change – does not include mandatory funding requirements  |
| Chafee Ed and Training Vouchers | $43 million | No change |
| Runaway and Homeless Youth | $300 million | Suggested minimum: +$154 million to meet the needs of all eligible youth |
| Community Services Block Grant | $754 million | No change |
| Low-Income Home Energy Assistance | $4.115 billion | No change |
| *HHS-ACL* | Older Americans Act –Title III-B Supportive Services | $410 million | No change |
| Older American Act – Title III-E Caregiver Support | $205 million | No change |
| Older Americans Act –Title VI Native American Programs | $47.8 million  | No change |
| Workforce Innovation and Opportunity Act - Independent Living Programs | $269 million | No change |

1. Zillow Research. (2023). *Zillow Observed Rent Index (ZORI)*. Retrieved from https://www.zillow.com/research [↑](#endnote-ref-1)
2. Zillow Research. (2018). *The Link Between Rising Rents and Homelessness*. Retrieved from https://www.zillow.com/research/homelessness-rent-affordability-22247 [↑](#endnote-ref-2)
3. U.S. Government Accountability Office. (2020). *Homelessness: Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population* (GAO-20-433). Retrieved from https://www.gao.gov/products/gao-20-433 [↑](#endnote-ref-3)
4. CSH Supportive Housing Needs Assessment (2023) Retrieved from https://cshorg.wpengine.com/wp-content/uploads/2019/05/TOTAL\_web.pdf [↑](#endnote-ref-4)