

December 5, 2025

CHIEF EXECUTIVE OFFICER
LA SHELLE DOZIER

The Honorable Susan Collins
Chair
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Tom Cole
Chairman
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

The Honorable Patty Murray
Vice Chair
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Rosa L. DeLauro
Ranking Member
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Chair Collins, Vice Chair Murray, Chairman Cole, and Ranking Member DeLauro:

The undersigned organizations represent advocates, housing providers, property owners and stakeholders committed to ending homelessness and ensuring housing stability for our nation's most vulnerable families. We are writing to urge your committee to take the following steps for Fiscal Year 2026 (FY26):

- Fully fund Housing Choice Voucher (HCV) renewals;
- Increase HCV Shortfall Set-Aside Funding from \$200 million to \$400 million;
- Provide sufficient funding to transition remaining Emergency Housing Voucher (EHV) households to other voucher programs;
- Allow Tenant Protection Vouchers (TPVs) to be used for EHV households;
- Protect Continuum of Care (CoC) funding; and
- Require HUD to renew all existing CoC grants expiring during calendar year 2026 for one 12-month period.

Current funding levels in both the House and Senate Transportation Housing and Urban Development (THUD) Appropriations bills do not reflect the cost of running the program. The House bill provides \$32.145 billion, essentially level with the full-year CR for FY25, while the Senate bill allocates \$33.974 billion. We appreciate the Senate's effort to increase funding over FY25 levels; however, the \$3.654 billion anomaly included in the FY25 CR underscores the severity of the affordability crisis renters are facing nationwide. To ensure stability for families and communities, we urge appropriators to consider these realities and provide sufficient resources **to fully fund HCV renewals in FY26**.

We urge your committee to take the following actions to ensure housing security for families participating in the voucher program:

Provide sufficient funding for renewal of Housing Choice Vouchers: The HCV program serves as the cornerstone of federal rental housing assistance, serving 2.3 million families and over 5 million people

who depend on this critical support for stable housing. Both the House and Senate THUD bills underfund HCV renewals, failing to account for the substantial shortfalls already straining the program and leaving vulnerable families at risk of losing their housing. Under the House FY26 THUD bill, about 411,000 fewer people would receive housing vouchers, while the Senate's funding level would serve about 243,000 fewer people.

This underfunding directly threatens the ability of PHAs to absorb approximately 35,000 EHV families who will lose assistance when the EHV program ends in 2026. Without adequate HCV renewal funding, PHAs cannot absorb additional households, even those who have successfully escaped homelessness and are eligible for ongoing assistance. This crisis is further compounded by extensive HCV waiting lists nationwide, with hundreds of thousands of families waiting years for assistance that may never come.

To ensure that no current voucher holder faces eviction due to federal underfunding, to enable successful EHV-to-HCV transitions, and to reflect the realities of persistently high rental costs and inflation, the HCV renewal account must be fully funded. This funding level is essential to fully cover voucher renewals and prevent serious hardship to millions of low-income families, seniors, veterans, and people with disabilities who rely on this program to maintain safe, stable housing.

Increase HCV Shortfall Set-Aside Funding from \$200 million to \$400 million: The HCV program has faced significant funding shortfalls in recent years, leading to an unprecedented second offset of reserves in FY24. The shortfall set-aside has been fully depleted annually, and HUD has repeatedly redirected funds from other accounts, including TPVs, to cover PHA needs. **Many PHAs currently operating in shortfall positions are unable to absorb EHV families into their regular programs, leaving thousands of formerly homeless families stranded without assistance.** Given rapidly rising rental costs, the shortfall set-aside should serve as a reliable safety net for housing providers and be funded at a level that prevents HUD from having to draw resources away from other vital programs and enables successful transitions for EHV households.

Include sufficient Housing Assistance Payments (HAP) renewal funding to enable EHV households to transition to the Section 8 HCV program: The EHV program currently serves approximately 53,000 of our nation's most vulnerable families, including individuals who were experiencing homelessness, at risk of homelessness, fleeing domestic violence, sexual assault, stalking, or human trafficking. These households include large numbers of families with young children, seniors, and people with disabilities, all of whom face the immediate threat of returning to homelessness without continued rental assistance.

Due to insufficient funding, the EHV program is ending sooner than anticipated, meaning thousands of families will lose their rental assistance in the near future. Many PHAs are currently operating in shortfall positions, meaning they lack sufficient funding to serve even their existing HCV caseloads. As a result, these PHAs are unable to absorb EHV families into their regular HCV programs. Approximately 35,000 EHV families will lose assistance due to inadequate budget authority, forcing them back into homelessness or housing instability despite having successfully secured stable housing through the EHV program.

While increasing shortfall funding will help stabilize struggling PHAs, this alone is insufficient. PHAs must also have adequate HCV renewal funding to absorb these additional 35,000 households into their ongoing caseloads. Without sufficient renewal funding, even PHAs that resolve their shortfalls will be unable to take on new families transitioning from EHV.

We urge the Committee to provide robust HAP renewal funding specifically designated to support EHV-to-HCV transitions. This funding is essential to prevent these vulnerable households who have already escaped homelessness once from cycling back into crisis, and to ensure that PHAs have the resources needed to fulfill their mission without triggering further budget shortfalls across the HCV program.

Protect housing provider participation to enable successful EHV transitions: The success of federally assisted rental assistance programs, including HCV, EHV, and other rental subsidies, depends on maintaining strong partnerships with housing providers. Across all these programs, stability is critical to preserving the housing provider relationships that keep vulnerable households stably housed. However, funding instability threatens these existing partnerships at a critical moment.

When PHAs operate in shortfall, housing providers experience delayed payments, administrative complications, and uncertainty about program reliability. These challenges can force property owners to not renew leases with voucher holders or to exit the voucher program entirely—even for tenants who have been successful, stable renters. As thousands of EHV families transition to regular HCV funding, their housing providers need confidence that the program will remain stable and that payments will continue reliably. Without adequate renewal funding to stabilize PHAs and maintain trust with housing providers, property owners may be compelled to deny the conversion from EHV to HCV vouchers, meaning families who have successfully maintained their housing to move or face a return to homelessness. Adequate funding is essential not only to support the families themselves but also to preserve the housing provider partnerships that are currently keeping these households stably housed.

Include language from the House THUD bill in the final FY26 Appropriations bill to allow for the use of TPVs for EHV households: TPVs provide a safeguard for tenants who would potentially be displaced due to the conversion, demolition, disposition, or termination of housing assistance. The House THUD FY26 Appropriations bill includes language allowing for the flexible use of TPVs for EHV households at risk of losing their rental assistance. We strongly recommend that the committee include this language in the final THUD Appropriations bill to provide an additional pathway to housing stability for EHV families who cannot be absorbed into regular HCV programs due to PHA capacity constraints. With this included language, funding for TPVs should be increased accordingly.

Protect CoC funding and require HUD to renew all existing CoC grants expiring during calendar year 2026: HUD's recent NOFO for the CoC Program disregards the two-year planning process authorized by Congress in the FY 2024 Appropriations Act and will delay award announcements until May 2026, which creates harmful funding gaps for grantees nationwide. Additionally, the new NOFO limits Permanent Housing projects to just 30% of a CoC's Annual Renewal Demand, which will devastate communities' ability to serve people experiencing chronic homelessness. **This crisis directly impacts PHAs' ability to successfully transition EHV families to permanent housing.**

Many EHV households require wraparound supportive services, case management, and permanent supportive housing resources funded through CoC programs to maintain housing stability. PHAs routinely partner with CoC-funded service providers to ensure that EHV families, many of whom have experienced trauma, disabilities, or chronic homelessness, receive the support necessary to sustain their tenancies. In many communities, these services and providers are already scarce and finite. Without adequate CoC funding, critical wraparound services that many of the EHV families transitioning to HCV programs rely on may be at risk, jeopardizing not only housing stability but also continuity of care. When CoC funding is cut or reduced, currently served families and individuals may lose their connections to services with no guarantee they will be able to reconnect, particularly in communities where waitlists

are long and provider capacity is limited. This creates a compounded crisis where families face significantly increased likelihood of housing failure even if voucher funding is secured, while simultaneously losing access to the very support systems designed to help them maintain stability.

States like Maine, Oklahoma, Washington, and Connecticut, which currently dedicate the majority of their CoC funding to Permanent Housing, would face catastrophic reductions under the new NOFO. With more than 60% of the nation's 400,000 Permanent Supportive Housing beds relying on CoC funding, these changes threaten to displace nearly 170,000 people and reverse years of progress toward reducing homelessness.

Cutting CoC funding while simultaneously ending the EHV program creates a compounding crisis that will overwhelm PHAs and push our most vulnerable families back onto the streets. We urge Congress to include language in the next funding bill requiring HUD to renew all existing CoC grants expiring during calendar year 2026 for one 12-month period, preserving local flexibility, protecting the service infrastructure that PHAs depend on, and preventing devastating disruptions to both housing assistance and supportive services.

For these reasons, we believe that it is imperative that Congress reaffirm its commitment to families in the EHV and HCV programs at risk of losing their housing assistance. The convergence of the EHV program ending, inadequate HCV renewal funding, and potential gaps or cuts to CoC funding will result in tens of thousands of individuals becoming at risk of homelessness in communities nationwide. We urge swift action through the FY26 appropriations bill to prevent this crisis.

Signed,

Council of Large Public Housing Authorities
Public Housing Authorities Directors Association
National Association of Housing and Redevelopment Officials
National Multifamily Housing Council
National Affordable Housing Management Association
Institute of Real Estate Management
Moving to Work Collaborative
National Apartment Association
National Housing Law Project
Council of State Community Development Agencies
National Low Income Housing Coalition
National Alliance to End Homelessness

CC:

The Honorable Cindy Hyde-Smith
The Honorable Kirsten Gillibrand
The Honorable Steve Womack
The Honorable Jim Clyburn