MAYOR REX RICHARDSON
CITY OF LONG BEACH

January 15, 2026

The Honorable Alex Padilla
United States Senate
331 Hart Senate Office Bldg.
Washington, DC 20515

The Honorable Robert Garcia
United States House of Representatives
109 Cannon House Office Bldg.
Washington, DC 20515

The Honorable Adam Schiff
United States Senate
112 Hart Senate Office Bldg.
Washington, DC 20510

The Honorable Nanette Diaz Barragán
United States House of Representatives
2312 Rayburn House Office Bldg.
Washington, DC 20515

RE: Opposition to HUD FY 2025 Continuum of Care Notice of Funding Opportunity

Dear Senators Padilla and Schiff, and Representatives Garcia and Barragán,

On behalf of the City of Long Beach (City), the City is strongly opposed to the disruptive proposed policy changes and abrupt funding limitations included in the FY 2025 Continuum of Care (CoC) program Notice of Funding Opportunity (NOFO). The City has made significant progress in addressing the number of people experiencing homelessness in the community thanks to ongoing investment and partnership from federal programs. Without stable CoC funding, many families and individuals will be forced out of their existing housing back into an expensive and dangerous cycle of homelessness. The recent withdrawal of the already late NOFO at this point in the year only adds to the uncertainty and will necessarily mean more delays.

Last year, the Long Beach CoC, alongside other CoC's across the country, underwent robust, community-wide, two-year planning processes in accordance with HUD's FY 2024 CoC Program NOFO. The community planning process was designed to cover two years of funding (FY 2024 and FY 2025) to help improve the stability and effectiveness of valuable funds authorized by Congress. This engagement process ensures accountability, transparency, and local decision-making informed by data, including experienced stakeholders beyond those organizations who apply for and receive HUD funding. The FY 2025 NOFO abandons this transparent process and ignores critically important community feedback and expert insight.

One of the most concerning changes included in the NOFO is the imposition of a 30 percent cap on funds that can be used for HUD-defined permanent housing programs, including Permanent Supportive Housing (PSH), Rapid Re-Housing, and Joint Component Transitional Housing/Rapid Rehousing. The cap is inclusive of both new and renewal requests, meaning any project requests for permanent housing that exceeds this cap will be rejected and removed from consideration. Historically, nearly 90 percent of CoC funds, including Long Beach, have supported permanent housing because permanent, stable housing paired with voluntary supportive services has consistently proven to be the most effective path out of homelessness. By permitting only 30 percent under the new rules, HUD would force communities to redirect the majority of their

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budgets away from long-term, evidence-based housing solutions and toward short-term and less effective interventions such as transitional housing, emergency shelter, and supportive services only projects. For Long Beach, this shift would immediately place 472 beds, serving 337 households at risk, including 483 residents who would be forced to find new housing by July 1. For many of the individuals, including Veterans, families, and people with disabilities, their road to permanent housing required countless hours of outreach and case management, followed by months of waiting for a unit to become available. Forcing them to begin this process again and face the prospect of returning to homelessness is both reckless and cruel.

The NOFO also introduces new scoring and eligibility criteria that prioritizes programs with mandatory work or service requirements and penalizes those that follow harm reduction or housing first models, or that adopt inclusive and gender affirming practices. The NOFO indicates that projects may be scored higher if they align with the administration's new public safety policy framework, which encourages work or treatment requirements as conditions of housing. At the same time, HUD now states that it may disqualify or downgrade projects that use harm reduction practices or that define sex in any way other than as a binary. This creates direct risks for programs that service transgender or nonbinary community members and undermines inclusive service delivery that has long been essential to the CoC programs. This shift represents a significant departure from resource-based models that have demonstrated strong outcomes for people experiencing homelessness.

The NOFO also signals a major structural shift in funding distribution. Historically, renewal projects received sufficient funding in Tier 1 to ensure ongoing operations, with the vast majority in renewal demand protected from competitive risk. Under the new direction, Tier 1 funding is substantially reduced, covering only a portion of renewal demand and pushing the remainder into Tier 2, which is fully competitive and no longer guaranteed. For Long Beach, this means approximately $8.3 million dollars in previously stable renewal funding is now forced into Tier 2 where it must compete nationally and may not be awarded. This creates an unstable environment in which long-standing permanent housing programs, including those with strong outcomes, can no longer rely on secure renewals. Combined with the new program restrictions and scoring penalties, this shift threatens to eliminate or significantly shrink the permanent housing portfolio that Long Beach has spent years building.

It is incredibly challenging that HUD is issuing an entirely new NOFO for FY 2025 funds, nullifying the work that has already been done to support competitive and impactful projects. Based on previous years' funding timelines, it can take as long as six months or longer from the point in which HUD releases a NOFO for CoC Program funds to when the awards are announced. Additional time may then pass before providers receive their grant agreements from HUD. If HUD proceeds with a new competition at this point in the year for FY 2025, it is likely that awards will not be announced until as late as June 2026. This will cause massive delays and disruption to the lifesaving work done by the local providers, who depend on these resources to get people off the streets.

The City urges you to prioritize and support the inclusion of a no-cost provision to the upcoming short-term Continuing Resolution (CR) that would direct HUD to renew all existing Continuum of Care grants expiring during calendar year 2026 for one 12-month period. The City, alongside

countless service providers, suggests the following language to prevent any unnecessary gaps in services and to keep thousands of vulnerable residents safe, stable and housed.

> *"Not later than December 15, 2025, the Secretary of Housing and Urban Development ("the Secretary") shall noncompetitively renew all existing continuum of care grants and youth homelessness demonstration projects expiring during calendar year 2026 for one 12month period, notwithstanding any inconsistent provisions in subtitle C of title IV of the McKinney-Vento Homeless Assistance Act, as amended: Provided, That the Secretary shall make reasonable adjustments for cost-of-living adjustments for supportive services and use fiscal year 2025 fair market rents for determining eligible renewal amounts."*

The NOFO contains many additional harmful provisions that will severely disrupt the City's local homelessness response system. By penalizing evidence-based practices such as harm reduction and Housing First, introducing work or service requirements, and adding gender-based eligibility restrictions, the NOFO will reverse decades of progress made in the CoC's tireless work. These changes, combined with the new permanent housing cap, would result in an estimated $5.4 million dollars in lost permanent housing for Long Beach and push approximately $8.3 million dollars of the Long Beach's CoC renewal demand into Tier 2, where funding is not guaranteed. These shifts heighten the risk of program closures, funding gaps, and widespread housing displacement at a time when at least 170,000 individuals nationwide, including 483 Long Beach residents already face the possibility of losing their homes.

Recent federal actions related to Continuum of Care (CoC) Program funding have created significant uncertainty for tenants and housing providers nationwide. Again, the City strongly urges you to include a provision in an upcoming appropriations bill that directs HUD to renew all existing Continuum of Care grants expiring during calendar year 2026 for one 12-month period. This no-cost provision is consistent with bipartisan Congressional direction and will ensure there are no unnecessary gaps and delays in resources.

Sincerely,

Rex Richardson
Mayor of Long Beach

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