

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of Community Planning and Development

### Homeless Assistance – Emergency Solutions Grants

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carry over	Adjustments	Total Resources	Obligations	Net Outlays
2024 Appropriation	4,051,000	4,205,813	-	8,256,813	3,908,276	3,220,106
2025 Appropriation	4,051,000	4,793,835	-	8,844,835	4,184,820	3,901,136
2026 President's Budget	4,024,000	4,810,000	-	8,834,000	7,223,389	3,908,359
Change from 2025	(27,000)	16,165	-	(10,835)	3,038,569	7,223

a/ The 2024 carryover includes \$32 million of rental assistance recaptures (including \$3.1 million for Continuum of Care (CoC) in rural areas and \$3.1 million for Emergency Solution Grant (ESG) disaster areas) authorized by Sec. 231 of P.L. 116-94.

b/ The 2025 carryover includes \$453 million of rental assistance recaptures (including \$46 million for CoCs in rural areas and \$46 million for ESG disaster areas) authorized by Sec. 231 of P.L. 116-94.

#### PROGRAM PURPOSE

The Homeless Assistance Grants program addresses homelessness nationwide through a variety of services and housing interventions serving vulnerable individuals and families who are homeless or at-risk of homelessness.

#### BUDGET OVERVIEW

The 2026 President's Budget requests \$4.024 billion, which is \$27 million less than the 2025 Enacted level. The request consolidates HUD homeless assistance within a more targeted Emergency Solution Grants block grant program. The Budget does not request funding for the Continuum of Care, Permanent Supportive Housing, and Youth Homelessness Demonstration programs, nor the National Homeless Data Analysis Project.

#### JUSTIFICATION

Over 770,000 adults and children are experiencing homelessness, and communities across the nation are impacted by the related crises of homelessness, a deadly fentanyl epidemic, and untreated severe mental illness<sup>1,2</sup>. Despite dramatic increased investment in programs aimed to reduce homelessness over the last fifteen years, more Americans are sleeping outside on our streets than ever before. Recent trends and persistent housing needs, especially among low-income renters, have contributed to increases among nearly all populations experiencing homelessness. While overall funding for HUD's homeless programs has increased by approximately 46 percent since 2020, over the same period, the number of homeless individuals has increased by nearly 33 percent, with 2024 having the highest levels of homelessness since HUD started reporting.

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<sup>1</sup> Booth, R., Shariff, S. (2023). [\*Opioid-related overdose deaths among people experiencing homelessness, 2017 to 2021: A population-based analysis using coroner and health administrative data from Ontario, Canada\*](#)

<sup>2</sup> Rountree, J., Hess, N., & Lyke, A. (2019). *Health conditions among unsheltered adults in the U.S.* California Policy Lab. [\*Health-Conditions-Among-Unsheltered-Adults-in-the-U.S..pdf\*](#)

The 2026 President's Budget proposes a strategic realignment of its homelessness response by consolidating homeless assistance into an expanded Emergency Solutions Grants (ESG) program. This policy shift is grounded in the need for a streamlined and balanced pathway of services—from outreach, to emergency shelter, to transitional housing programs and stabilization—with the goal of reducing homelessness. It reflects a move toward a more agile, locally-oriented approach that emphasizes self-sufficiency, rapid stabilization, and emergency, short- and medium-term housing solutions over long-term service dependency. This approach provides local governments with increased flexibility to serve their most vulnerable communities in the ways they know best.

The ESG Program is designed to address housing crises quickly and efficiently, by empowering state and local governments with targeted, flexible funding for prevention, outreach, rapid rehousing, emergency shelter, and essential services. Expanding ESG to include supportive services and transitional housing programs will enable HUD and its partners to focus on multiple key goals:

1. reducing unsheltered homelessness,
2. promoting housing stability and economic self-sufficiency, and
3. preventing returns to homelessness through time-limited, results-focused support.

State and local grantees would be eligible for funding based on an updated ESG formula to be determined by the Secretary that takes into account, among many factors, State and local homelessness needs and grantee capacity and performance. Tribal entities would be eligible subrecipients of State ESG funds. HUD looks forward to working with stakeholders to expand ESG, creating a focused pathway of services out of homelessness and towards health, housing stability, and self-sufficiency.

### **Key Advantages of ESG Expansion**

#### Focus on Housing Stability and Self-Sufficiency

ESG's structure supports emergency, short- and medium-term rental assistance and stabilization services that are directly aligned with the goal of empowering individuals and families to regain and maintain housing without long-term dependency on public assistance. This aligns with HUD's broader mission to promote housing as a platform for upward mobility and independence. Housing stability is furthered by expanding ESG to incorporate short to medium-term supportive services and transitional housing similar to those previously provided through the CoC program.

#### Increased Flexibility and Local Responsiveness

ESG allows for greater local discretion in targeting resources where they are most needed. By expanding this program, HUD will reduce the administrative complexity and staff burden of CoC funding competitions, delivering grant dollars to grantees more rapidly, and enabling communities to quickly scale evidence-based practices in response to local emerging needs.

#### Streamlined Administration and Reduced Bureaucracy

HUD estimates that the CoC program and project application process takes recipients nearly 115,000 total hours to complete and costs over \$5 million per year. ESG's simplified grant structure, compared to CoC's extensive application, monitoring, and compliance requirements, will reduce barriers to entry for local providers, especially smaller or rural organizations. This will broaden participation and drive more innovative and cost-effective approaches.

## Funding Impact and Outcomes

### Emergency Solutions Grants Program (\$4.024 billion)

The ESG program provides assistance to people at-risk of or experiencing homelessness. ESG supports a variety of life-saving activities, including:

- Emergency shelter for people in crisis;
- Street outreach and other essential services to engage people experiencing unsheltered homelessness;
- Rapid re-housing to provide time-limited rental assistance and stabilization services; and
- Homelessness prevention for individuals and families.

In addition to the above eligible activities, uses would be expanded to include other activities related to short- and medium-term assistance, including allowable uses for outreach, supportive services, and transitional housing programs.

### SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2024 Budget Authority	2023 Carryover Into 2024	2024 Total Resources	2024 Obligations	2025 Appropriation	2024 Carryover Into 2025	2025 Total Resources	2026 President's Budget
Continuum of Care a,b,c/	3,492,000	3,812,496	7,304,496	3,436,502	3,492,000	4,308,351	7,800,351	-
New Permanent Supportive Housing d/	100,000	75,000	175,000	-	100,000	175,000	275,000	-
<i>Set aside- Construction awards for populations of less than 2,500,000 [Non-Add]</i>	35,000	30,000	65,000	-	35,000	100,000	135,000	-
Victims of Domestic Violence	52,000	80,999	132,999	55,287	52,000	82,104	134,104	-
Emergency Solutions Grants	290,000	40,408	330,408	279,171	290,000	51,237	341,237	4,024,000
National Homeless Data Analysis Project	10,000	2,952	12,952	12,952	10,000	-	10,000	-
Youth Homelessness Demo	107,000	193,958	300,958	123,881	107,000	177,143	284,143	-
<i>Youth Homelessness System Improvement Grant [Non-Add]</i>	25,000	50,000	75,000	44,857	25,000	30,143	55,143	-
<i>Youth Homelessness Technical Assistance [Non-Add]</i>	10,000	1,767	11,767	8,767	-	3,000	3,000	-
<b>Total</b>	<b>4,051,000</b>	<b>4,205,813</b>	<b>8,256,813</b>	<b>3,907,793</b>	<b>4,051,000</b>	<b>4,793,835</b>	<b>8,844,835</b>	<b>4,024,000</b>

a/ The 2024 CoC carryover includes \$32 million of rental assistance recaptures (including \$3.1 million for CoCs in rural areas and \$3.1 million for ESG disaster areas) authorized by Sec. 231 of P.L. 116-94.

b/ The 2024 CoC obligations for CoC include \$8.7 million for disaster areas in Florida in response to Hurricane Ian and \$8.2 million for disaster areas in Hawaii in response to wildfires impacting Maui County. Obligations also include \$32.7 million for CoCs in rural areas awarded under a Special NOFO, as well as \$282.6 million for CoCs awarded under the same Special NOFO.

c/ The 2025 CoC carryover includes \$453 million of rental assistance recaptures (including \$46 million for CoCs in rural areas and \$46 million for ESG disaster areas) authorized by Sec. 231 of P.L. 116-94.

d/ As authorized by Public Law 119-4, HUD will repurpose \$100 million provided for new Permanent Supportive Housing in 2025 to fund CoC renewals.

e/ Not reflected in the above table is \$483 thousand reimbursable obligation that occurred in 2024.

## APPROPRIATIONS LANGUAGE

The 2026 President's Budget includes the appropriations language listed below.

*For emergency solutions grant assistance under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.), \$4,024,000,000, to remain available until September 30, 2028: Provided, That, notwithstanding any provision of the McKinney-Vento Homeless Assistance Act for such grant assistance, the Secretary shall allocate amounts directly to States and local governments based on a formula to be developed by the Secretary: Provided further, That such formula shall prioritize geographic areas with the greatest need based on factors to be determined by the Secretary and shall appropriately consider capacity or performance indicators: Provided further, That such grants may be used to undertake activities or otherwise provide assistance that will, as determined by the Secretary, assist homeless individuals or those at-risk of homelessness on an emergency, short-term, or medium-term basis: Provided further, That recipients of such grants may establish preferences for elderly individuals or families, or for disabled individuals or families, when implementing the recipients' programs: Provided further, That the Secretary may waive or specify alternative requirements for any provision of any statute or regulation administered by the Secretary in connection with such grant assistance, upon a finding by the Secretary that any such waivers or alternative requirements are necessary to facilitate the effective implementation of such grant assistance.*

*Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).*