HUD's proposed changes to the Continuum of Care Program:

An escalating homelessness crisis in New Jersey

IMMEDIATE IMPACT



3000+

PEOPLE IMMEDIATELY **HOMELESS**

STATEWIDE INCREASE



22%

RISE IN NEW JERSEY'S **HOMELESS POPULATION**

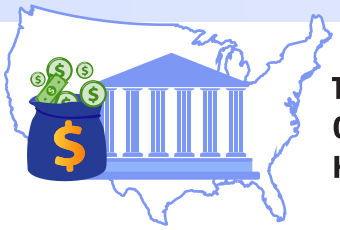
FINANCIAL TOLL

$173M

COST TO THE STATE OVER TWO YEARS



What is the Continuum of Care program?



THE LARGEST SINGLE SOURCE OF FUNDING TO ADDRESS HOMELESSNESS IN THE NATION

AWARDED TO INDIVIDUAL PROJECTS AND PROGRAMS RECOMMENDED BY LOCAL OR REGIONAL JURISDICTIONS (CALLED CONTINUUM OF CARE) TO HUD

NJ AS A WHOLE RECEIVES $66M+ ANNUALLY

81% OF THESE FUNDS are for Permanent Supportive Housing (PSH), helping formerly homeless people stay housed through rental assistance or dedicated apartment buildings.

24,149 Statewide Permanent Housing (PH) Placements YTD



15/100 households in PH were single-parent. The median age of the household head entering PSH CYTD is **38 years old.**



1/5 homeless entries CYTD were families. The median age of the household head entering homelessness is **34 years old.**



6/10 new family homelessness cases CYTD were due to eviction, shared housing exits, or job loss.

What are the changes HUD has announced?

- Capping the amount of funding that can be used for permanent housing at 30%
- Severely limiting the number of renewal projects that are protected, meaning places where formerly homeless people are currently living will lose funding
- Requires criminalization of homelessness, involuntary commitment and mandatory work requirements and services
- Creates gap in funding of several months, leaving providers without funding to support housing and services

IMPACT ON NEW JERSEY
IF CHANGES ARE IMPLEMENTED

MORE THAN ½ OF FUNDING CURRENTLY USED TO HOUSE FORMERLY HOMELESS PEOPLE WILL BE DEFUNDED

POTENTIAL STATEWIDE PROJECTION TO +48% YoY UNSHELTERED GROWTH IN 2026

ECONOMIC LOSS 2026 → 2027

HIGHEST RISK ZONES
NEWARK, JERSEY CITY, TRENTON, CAMDEN

North	Central	South
$35.0M → $29.4M	$16.3M → $13.7M	$11.3M → $9.5M

PSH CAPACITY WILL REDUCE TO ROUGHLY 1/3 OF CURRENT LEVELS, DISRUPTING STABILITY FOR 2,000–3,200 HOUSEHOLDS.

Annual inflow of **3,000–5,000** additional persons into homelessness.

Why is this **important** to New Jersey?

NJ HAS HAD GREAT SUCCESS USING DATA-DRIVEN BEST PRACTICES LIKE HOUSING FIRST, HOMELESSNESS DIVERSION AND EVICTION PREVENTION



Rapid Rehousing Expansion + **Landlord Stabilization** + **Municipal Prevention Support** + **Outreach to Rural & Suburban Unsheltered Homeless**

Proven success in addressing homelessness and housing instability through Housing First

In **2025** alone, New Jersey has:

- **Permanently housed more than 1,426 homeless veterans.**
- **Permanently housed more than 2,000 homeless people in Atlantic City and Atlantic County.**
- **Kept more than 7,600 households with eviction filings permanently housed.**

DCA NJ DEPARTMENT OF Community Affairs