

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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**To: All Homeless Housing, Assistance, and Prevention (HHAP) Program Grantees**

**From: Megan Kirkeby, Deputy Director,  
Division of Housing Policy Development**

**Date: December 19, 2025**

**Subject: Homeless Housing, Assistance and Prevention (HHAP) Rounds 1-6  
Budget Amendments**

Dear HHAP Grantees,

The California Department of Housing and Community Development (HCD) remains committed to supporting your efforts to prevent and end homelessness through the Homeless Housing, Assistance, and Prevention (HHAP) Program. HHAP is designed to provide flexible funding to cities, counties, and CoCs to address homelessness in their communities. Central to this flexibility is the ability to prioritize permanent housing interventions—such as permanent supportive housing, affordable housing, and rapid rehousing—that offer long-term stability for individuals experiencing homelessness.

Today, the US District Court for the District of Rhode Island issued a preliminary injunction enjoining the U.S. Department of Housing and Urban Development from rescinding the 2024-2025 Continuum of Care (CoC) Notice of Funding Opportunity (NOFO), with a written order to follow. While this is very welcome news, we recognize that that remains some uncertainty as to funding for expiring CoC-funded permanent housing grants. In this spirit, we are reiterating that **HHAP grantees can propose adjustments to their HHAP budgets from any round to dedicate a greater percentage to permanent housing eligible uses**, and we are providing updated guidance to support pre-approval of those shifts as needed. While such action will not fully alleviate the harms of HUD's actions and will impact budgets for other critical HHAP programs, grantees may determine that shifting certain funds to support permanent housing portfolios is in the best interest of those they serve.

Also, we are taking the opportunity to point grantees to the [HHAP 4, 5, and 6 remainder disbursement procedures](#) (available through this link in the Reporting & Compliance section of the HHAP website) to ensure grantees are drawing down those funds as soon as they are ready.

### HHAP Budget Modifications

All permanent housing uses that were previously proposed to be capped by the HUD NOFO are allowable uses under all rounds of HHAP. Across all rounds of HHAP, Permanent Housing uses are permissible, and there is no cap on the amount of HHAP funding that may be allocated to Permanent Housing Solutions eligible uses, categorized as follows:

- Rental Assistance and Rapid Rehousing
- Operating Subsidies-Permanent Housing
- Permanent housing Capital (in prior rounds this may have been counted under Perm Housing and Innovative Solutions)
- Supportive Services in Permanent Housing (in prior rounds this may have been counted under Perm Housing and Innovative Solutions)

For examples of eligible uses that are permissible under each of these categories, you can reference the Eligible Use section of the [HHAP 6 Notice of Funding Availability](#) (NOFA). To avoid confusion, we recommend this be your reference no matter which HHAP round for which you are requesting the budget change.

To reallocate HHAP funds from one eligible use category to another (i.e. Street Outreach to Permanent Housing Solutions) simply requires submission of a HHAP [budget modification form](#), which will allow HCD to monitor your award accurately. Budget modifications that seek **to shift funds into the Permanent Housing Solutions** eligible use category from any other eligible use category will be **automatically approved by HCD** upon submission of the modification form. HCD may follow up with additional questions as needed.

**To assist in tracking the impact that HUD CoC NOFO uncertainty is having on CoCs**, under “Reason for the Request and Resulting Changes,” we have added a yes/no option for “Was this change due to the shift signaled in HUD CoC priorities and potential funding gap?”

We will also be reaching out with a mandatory survey to all HHAP CoC partners, whether or not they are requesting a budget amendment, to request more detailed following information on the HUD NOFO impacts. These questions may include data requests such as:

- a. Expiring CoC grants: List out the HUD CoC grants expiring between December 2025 and December 2026, including the amount of each grant and the number of people served.
- b. Funding activities: The specific permanent housing activities those expiring CoC grants currently fund, including project-based rental assistance, tenant-based rental assistance, capital funds, operating subsidies, supportive services, etc.

HCD is available to answer any questions grantees may have about the budget change process. Please email [HPDHomelessnessGrants@hcd.ca.gov](mailto:HPDHomelessnessGrants@hcd.ca.gov). We appreciate your continued partnership and dedication to advancing permanent housing solutions for Californians experiencing homelessness.