



On December 23, 2025, a federal court issued a written preliminary injunction that affects the U.S. Department of Housing and Urban Development's (HUD) Continuum of Care (CoC) funding process. This decision is important for communities, providers, and partners working to prevent and end homelessness.

The court ordered HUD to pause several recent actions related to CoC funding. Specifically, HUD's decision to cancel the 2024-2025 Continuum of Care and Youth Homelessness Demonstration Program Notice of Funding Opportunity (NOFO) has been halted. The court also stopped HUD from moving forward with the new FY 2025 CoC NOFO and from enforcing new conditions or deadlines tied to that NOFO. This order is preliminary and will remain in effect until the court rules on the case.

What this means is that HUD must return to the "status quo" that existed under the FY 2024-2025 NOFO. HUD is required to take steps to process eligible renewal projects for FY 2025 using the FY 2024-2025 NOFO rules. However, the court made clear that this order does not require HUD to award or obligate funds yet.

HUD must also communicate with communities and funding recipients about any steps they need to take so eligible renewals can be processed. A report on HUD's plan and timeline is due to the court by December 30, 2025.

For providers and CoCs, this ruling offers temporary stability and prevents sudden changes while the case continues. We encourage communities to watch for official guidance from HUD and stay prepared to respond to any requests related to renewal processing. We will continue to provide updates as the case moves forward.

*Democracy Forward and the ACLU Foundation of Rhode Island represent the coalition of nonprofit organizations in the matter; the National Homelessness Law Center represents NAEH and NLIHC; Public Rights Project represents the cities of Boston, Cambridge, Nashville, and Tucson; and Santa Clara County, King County, and San Francisco represent themselves. The Lawyers' Committee for Rhode Island represents all plaintiffs.*