

New HUD Guidance: Dated June 16, 2026

HUD is committed to supporting CoCs in providing a true continuum of assistance that meets unique individual needs, instead of a “one-size-fits-all” approach. Below, find more information on steps HUD has taken to provide CoCs with clarity on program participant eligibility and with increased flexibility to prioritize individuals for PSH.

HUD has published new guidance on program participants’ eligibility to move from Permanent Housing to Transitional Housing. Read the guidance, including examples, here: [Program Participants’ Eligibility to Move from Permanent Supporting Housing \(PSH\) / Rapid Re-Housing \(RRH\) To Transitional Housing \(TH\)](#)

HUD has rescinded the [Notice on Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Persons in Permanent Supportive Housing](#) and the 2014 notice of the same name that preceded it. Instead of facilitating a decrease in chronic homelessness, the former notice restricted how CoCs prioritize individuals and families for PSH and created unintended consequences in doing so.

What does this mean?

HUD no longer requires that all CoC Program-funded Permanent Supportive Housing (PSH) must be dedicated to individuals and families that meet the definition of “Chronically Homeless.” Projects operating under prior year’s funding must continue to serve individuals and families that meet the eligibility criteria identified in the project’s current grant agreement. With this change, HUD is providing local communities the flexibility to prioritize resources based on their unique, local needs.

How does this affect Coordinated Entry?

The notice [CPD-17-01- Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System](#) remains effective. CoCs that changed their Coordinated Entry practices in order to comply with the requirement that all PSH beds be dedicated to chronic homelessness are no longer held to that requirement and may revise their Coordinated Entry practices.

How should CoCs prioritize available PSH units?

PSH can only provide assistance to individuals with a disability or families in which one adult or child has a disability in accordance with 24 CFR 578.37(a)(1)(i). HUD encourages CoCs to prioritize homelessness assistance in a way that meets local needs best consistent with federal anti-discrimination and civil rights laws. This should include connecting individuals as quickly as possible with substance use disorder and mental health treatment, shelter, and Transitional Housing programs to facilitate recovery and self-sufficiency.

Do PSH projects have to keep units vacant while waiting for an eligible household to accept an offer of PSH?

No. HUD recognizes that some persons, particularly those living on the streets or in places not meant for human habitation, require significant engagement prior to their entering housing. Recipients of CoC-funded PSH are not required to allow units to remain vacant indefinitely while waiting for an eligible household (as identified in their grant agreement) to accept the offer of PSH. Instead, CoCs must exercise due diligence when conducting outreach and assessment to ensure eligible households are identified and prioritized for assistance in accordance with their local prioritization standards, and, if an eligible household is not yet ready to accept a PSH referral, the CoC may make a referral of the next prioritized household.

