

Moving Parts with HUD Housing Funding

Recently a donor asked Wellspring CEO Kathy Dobbins how current federal policies are impacting the organization. The answer is complicated; however, changes in one federal grant demonstrate how policy shifts create ripple effects across programs supporting vulnerable people and the whole community.

On January 31st, a federal grant that supported one of our supportive housing programs called Journey expired. Journey began in 1998 providing transitional housing for homeless women dually diagnosed with a serious mental illness (SMI) and a co-occurring illness. Journey later became permanent supportive housing (PSH) when evidence-based practices deemed PSH more effective in keeping disabled adults housed and healthy (approx. 90% success rate to remain housed, reduced ER visits, less justice involvement, etc.).

Normally, HUD releases a Notice of Funding Opportunity (NOFO) in late summer for its Supportive Housing Program but that did not happen this year. Instead, HUD released a NOFO in mid-November which included significant changes dramatically capping PSH funding in every region across the country to 30% of total funding whereas most communities have allocated between 60-90% of their funding to PSH. At Wellspring, we scrambled to juggle and put together applications, commitments, partnerships while re-evaluating which clients must remain in PSH and which, if any, could move into yet to be created transitional housing. These life-changing decisions had to be made just over 30 days. A multi-state lawsuit paused the changes in very late December but Homeless Continuums of Care across the country remained in a state of panic.



Wellspring has become adept at pivoting to continuously meet the needs of our clients, but the level of uncertainty and unpredictability has been especially challenging this past year. Wellspring has three direct grants and 2 collaborative grants serving homeless adults with serious mental illness that are funded primarily through HUD's Supportive Housing Program (SHP). These grants provide housing and supportive services to 140 homeless adults. Shifting priorities at the Federal level have put all five of these grants at risk. Despite HUD awarding and Congress approving 2-year grants, the new administration wanted to implement sweeping changes and it appeared we could lose the funds to continue the Journey program at the end of the first grant year of the term, January 31st. Best case scenario, we'd experience a significant gap in the funding needed to pay for housing and critical supportive services.

Journey clients live in apartments scattered throughout the community. HUD grant dollars have paid their rent to local landlords and 80% of the cost of the services necessary to help them stay housed and address their disabling conditions. Due to its January expiration date, Wellspring's Journey program is among the first local programs impacted. Without the HUD grant, these women could be homeless again jeopardizing the progress they have made in maintaining housing and mental health recovery. Likely, this would result in their return to homelessness. We have grappled with thorny issues: how or when to terminate leases with local landlords; searching for other housing in a City that is already 36,000

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Wellspring Awarded Impact 100 Louisville Grant

An incredible \$100,000 grant will soon **transform the environment of care within Wellspring's Crisis Stabilization Units (CSUs)**, which provide a vital alternative to hospitalization for individuals experiencing acute mental health symptoms. The CSUs offer intensive treatment and compassionate support in a homelike setting to achieve stability and recovery, and the Impact 100 grant will enable us to improve clients' experiences.

Grant funds will refurbish wood flooring, purchase new furniture and supplies, and enhance the homelike environment that helps our clients heal and rebuild their lives. Thank you to the women of Impact 100 Louisville, Inc., for this generous funding!



Divine Timing and Self Determination

Nathan's Journey to Recovery

For 43-year-old Nathan, the path to housing and recovery was a long one. A Louisville native, he grappled with addiction and family problems from a young age, including an absent father and mother struggling with alcohol. Nathan started using alcohol at 14 and eventually using drugs including fentanyl and meth. “By the time I turned 19, I had drank myself homeless,” said Nathan, “I consider that my first real consequence from alcohol was the homelessness.”

Last year, Nathan was living in his car when he got into a car accident that caused severe injuries. The time he spent healing in the hospital forced him into sobriety. It was a turning point. “That wreck really ended up being probably one of the biggest blessings I've ever experienced. You know, it was terrifying, but it put me in a position where I had to sit still.”

Prior to the car accident, Nathan tried several recovery programs, but he would relapse. “When you put in all that work, it's a normal expectation to think your mental health will be better, that you'll have a better outlook on the future, a will to live and things. But I didn't really get that...so, I would go back to drugs.”

On top of his addictions, Nathan had been diagnosed with several mental illnesses. His mother – now recovered and sober - played a significant role in connecting him to Wellspring services including case management, therapy, and supportive housing.

“I didn't know there were programs like this,” Nathan said, “when you lose your housing, it's like, everything else falls. If I don't have a place to live, how can I possibly maintain a job? I can't find a job, really, without having a place where I can shower, change my clothes, sleep, and have safety and security. I can't have good meals that I prepare myself with good foods because I don't have anywhere to put the stuff. Your entire life is basically spent just trying to make sure that your basic human needs are met and it's an exhausting, overwhelming way to live.” Nathan now finds sees a life with purpose. “I feel like I can be a part of my own life again. I've always felt like I was a spectator and I don't feel that way now.”

With encouragement from his mother and friends, Nathan has been in Wellspring supportive housing for nearly a year and works continuously towards his recovery. “Everything happened at just the right, exact time. Everything felt like divine timing all the way through,” he says.

He and his mother have bettered their relationship, a key factor in him staying sober. “What's more important - relieving your own pain or not causing pain to the people you love? I had to decide. It's a childish thing to make my own comfort more paramount than my mother's. It's not just about being a good son. You're restoring this person's entire peace of mind back to them. You're giving them back more than just a relationship, she can have peace now.” Nathan smiled, recalling how he overheard his mother saying how happy she was to have her son back again. “That is worth it.”

In the future Nathan would like to have a family of his own. He plans to pursue a career as a peer support specialist so that he can help others on their journey to recovery. “I don't think there's anything cooler than seeing the light come on behind somebody's eyes. You're seeing two different people, and it's just, it's amazing. It's very fulfilling.”



New Leadership Appointments Mark a Milestone

Wellspring is excited to announce the addition of two new leaders to our executive team: Debra Peffer as Chief Financial Officer and Norma White-Caruso as Human Resources Director.

Debra returns to Wellspring after three years with Catholic Charities and completing her MBA. Debra originally joined Wellspring in September 2013 as a Staff Accountant, overseeing Medicaid, Medicare, and grant billing and rose to Wellspring's Controller before her time at Catholic Charities. She brings nearly 20 years of experience in nonprofit accounting and the mental health field.



Norma is a U of L graduate and holds SHRM-SCP and CAPM certifications. She brings more than 20 years of human resources leadership experience across nonprofit, private, and government environments. Norma is **Wellspring's first-ever HR Director**, a milestone made possible through a grant from the Legacy Foundation of Kentuckiana.

Clients' Holiday Joy and Community Gifts



Clients, staff, volunteers, and board members came together in December for a client holiday party that included a delicious meal, gifts and door prizes, arts and crafts, and client karaoke. Thanks to numerous donors, hundreds of clients received holiday gifts, including grocery gift cards.



Special thanks to the **Trager Family Foundation** for their funding of this special event! We are also grateful to **Trinity High School** for providing the space and to Trinity students who raised more than \$700 through Dress Down Day donations to support Wellspring.



The celebration brought connection and holiday spirit to the clients we are honored to serve!



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Basketball Brackets That Count

Wellspring's Basketball Bracketology is back!

A fun way to support Wellspring is hitting the court once again during NCAA March Basketball tournaments -

Wellspring's Bracketology!

Wellspring's Ambassador Board invites you to purchase as many Brackets as you would like to predict for just \$10/entry.

This year you can enter brackets for **BOTH the men's and women's tournaments.**

Pick the right teams and your winning bracket could score you a choice of a \$50 gift card or two tickets to the April 21st Derby Preview Party!

Scan the QR code to purchase your bracket entry today!



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units short for those living at 30% of the area median income, like our Journey clients; and, how to pay rents with little to no funding and a lack of housing vouchers in our city. Fortunately, our local HUD office has worked with us to allow a carry-over of our remaining funds. This helps but is not enough to cover all 23 clients for even one full month. Metro Louisville is now working with us to identify other stop gap assistance, but this experience has been and continues to be extremely stressful.

Wellspring is not alone, the sudden change in federal priorities shocked the system. Partnerships and agreements with other housing organizations and landlords remain in limbo. Communities that spent decades building PSH networks must now decide which programs can continue and which will be eliminated.

As of mid-February, we are still waiting for a new NOFO, hoping for the best, and contingency planning.

Meanwhile, we are thankful for support of our partners, our donors, Metro Louisville and the local HUD field office.

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Wellspring's 28th Derby Preview Party
Tuesday, April 21, 2026*

Get your tickets today! <https://DPP26.givesmart.com>
Early Bird pricing ends at midnight March 31st.



photo by Dan Dry

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