

# FY26 CoC NOFO Summary Briefing

June 11, 2026



# Agenda

1. Level Setting
2. Major NOFO Changes
3. Funding Caps
4. Tier 1 and Tier 2 Explanations
5. Compliance Highlights
6. Transition Grants
7. New Project Threshold Requirements by Project Type
8. Renewal Project Threshold Requirements
9. Risk Review
10. What We Don't Know
11. Next Steps
12. What You Can Do Now
13. FYI: Schedule Update

# What Won't Be Covered in This Meeting

- Strategies for how to rehouse existing clients.
- What to do about individuals grants.
- Local Competition scoring criteria.

# Q&A

- If you have a question about something I am talking about, please raise your hand to ask it.
- If you have a question about something I am not talking about, please put it in the chat and if it hasn't been answered by the end of the presentation, I will address it.

# Level Setting

# NOFO Basics

- NOFO (Notice of Funding Opportunity) was released on June 1, 2026. Due date for the Consolidated Application is **August 26, 2026**.
  - The detailed timeline is still TBD and will be covered in our next meeting.
  - We anticipate the local competition due date (i.e., the day your materials are due to be around **July 22, 2026**.
    - Ideally, this will include local competition scoring materials and a draft eSnaps application, but that is dependent on HUD.

# NOFO Basics

- The Consolidated Application is made up of three parts:
  - A CoC Application completed by the Coalition for the Homeless responding to questions relating to system-wide initiatives and performance.
  - Individual project applications completed by individual agencies.
  - A “priority listing” of projects in rank order based on selection criteria set by the Louisville/Jefferson County CoC Board of Directors.
- While there are some items that the CoC is evaluated on that are only in the Consolidated Application, the performance and standards of the individual projects make up the responses to these questions.

# Major Changes

# Major Changes

- No big surprises given the information included in the attempted FY25 NOFOs.
- A continued emphasis on funding new Transitional Housing and Supportive Service Only Grants.
- Some parts are more workable than what we saw last year, but other parts are more difficult to implement, particularly the informal funding caps.
  - HUD has set aside \$1.3 billion **nationwide** for **new** TH and SSO projects, approximately 32% of funding available nationally.
- All projects, including YHDP projects, must be competitively renewed (i.e., ranked on the priority listing in Tier 1 or Tier 2).

# Funding Caps

# Funding Caps

- HUD has set Tier 1 at 60% of a CoC's ARD.
- We do not have official numbers yet. These are estimates.
- \*Unclear if DV Bonus amount includes existing DV Renewals.

ARD	\$25,307,355
Tier 1	\$15,184,413
CoC Bonus	\$3,796,103
DV Bonus*	\$5,000,000
DV Renewals	\$3,232,492
YHDP Renewals	\$2,110,589

# Tier 1 and Tier 2 Explanations

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- HUD requires that CoC's rank project into Tier 1 and Tier 2.
- Under normal circumstances, projects in Tier 1 are generally considered to be safe and will receive funding.
- Projects in Tier 2 are **USUALLY** selected for funding based on their score with HUD. This is based on three things.
  - Up to 50 Points in direct proportion to the score received on the CoC Application.
    - e.g., if a CoC received 65 out of 130 points on the CoC Application, the project application would receive 25 out of 50 points for this criterion.
  - Up to 40 Points proportional to the CoC's ranking of the project application.
    - The higher a project is in Tier 2, the more points they get for this factor.
  - Up to 10 points for projects that have or will incorporate supportive service participation requirements in their program design, based on individual need and evidenced in an occupancy agreement or equivalent document (SSOs automatically receive 10 points in this category)

# New Tier 2 Priorities

1. If new DV Bonus projects funded in Tier 1 = \$104 million, no other action is needed. If it does not = \$104 million, HUD will select DV Bonus ranked in Tier 2 until \$104 million in funded projects are reached.
  - DV Bonus ranked in Tier 2 in excess of \$104 million may still be selected based on project score using the process below.
2. If PH projects for **families with children** ranked in Tier 1 = \$430 million, no further action is needed. If total does not = \$430 million, select PH projects for families with children by project score in Tier 2 up to \$430 million.
  - PH projects for families with children ranked in Tier 2 in excess of \$430 million by still be selected based on project score using the process below.
  - It is estimated that approximately \$900 million nationwide goes to PH projects to families with children. This was added to the NOFO as a statutory formality.

# New Tier 2 Priorities

3. **NEW** TH and SSO projects ranked in Tier 2 by project score until \$1.3 billion of new projects are selected.
4. If funds are available after *every eligible new TH and SSO project nationwide* are selected, other types of **NEW** projects ranked in Tier 2 by project score until \$1.3 billion of new projects selected.
5. If funds available, HUD will then select **RENEWAL** projects ranked in Tier 2 that meet project quality threshold until all remaining funds have been expended.

# New Tier 2 Priorities

- What this means practically is that is extremely unlikely for **ANY** renewal project ranked in Tier 2 to be funded.
- **Around 40% of renewal funding will need to be reallocated to new projects.**
  - This will be around \$10,122,942.

# New Tier 2 Priorities

CoC Rank	Project	New or Renewal	Project Type	DV Bonus
1	Renewal PSH 1	Renewal	PSH	No
2	Renewal RRH 1	Renewal	RRH	No
3	New TH 1	New	TH	No
4	DV Bonus RRH	New	RRH	Yes
5	New TH 2	New	TH	No
6	New PSH 1	New	PSH	No
7	New SSO 1	New	SSO	No
8	Renewal TH 1	Renewal	TH	No
9	New SSO 2	New	SSO	No
10	New TH 3	New	TH	No

HUD Ranking	CoC Rank	Project	New or Renewal	Project Type	DV Bonus
1	4	DV Bonus RRH	New	RRH	Yes
2	3	New TH 1	New	TH	No
3	5	New TH 2	New	TH	No
4	7	New SSO 1	New	SSO	No
5	9	New SSO 2	New	SSO	No
6	10	New TH 3	New	TH	No
7	6	New PSH 1	New	PSH	No
8	1	Renewal PSH 1	Renewal	PSH	No
9	2	Renewal RRH 1	Renewal	RRH	No
10	8	Renewal TH 1	Renewal	TH	No

# Compliance Highlights

# Compliance Highlights

- No big surprises given the information included in the attempted FY25 NOFOs.
- A continued emphasis on funding new Transitional Housing and Supportive Service Only Grants.
- It is the expectation of the CoC that 100% of housing programs have some form of supportive service requirements that are demonstrated by a supportive services agreement, occupancy agreement, lease, etc.
  - **This could mean something as minimal as an agreement to participate in case management, but could be more extensive.**
- Still an expectation for connections to substance abuse treatment, particularly on site.
  - Projects need to be able to name their partners for this.
- Projects must still be operated in compliance with all CoC program regulations and 24 CFR Part 578.

# Compliance Highlights

- HUD released guidance on how existing PSH clients could potentially be transferred to Transitional Housing. This is available [here](#).
  - This should not be considered a catch all on how to transfer a whole case load from PSH to TH.

# Compliance Highlights

- HUD has clarified that nonprofits are not allowed to administer **RENTAL ASSISTANCE** in Transitional Housing programs.
  - Rental Assistance must be administered by a local government or a PHA.
- Nonprofits can administer **LEASING** assistance in Transitional Housing or fund site-based housing through the Operations line.
- This was an oversight during the drafting of the HEARTH Act. It was fixed for Permanent Housing programs, but not for Transitional Housing.

# Compliance Highlights

- Supportive Service Only grants are intended to serve people who are **currently homeless** or for up to **six months after exiting homelessness**.
- Supportive Service Only cannot be used to provide services to individuals who have been housed for more than six months.

# Compliance Highlights

- Coordinated Entry:
  - NOFO currently says that all projects must accept referrals from Coordinated Entry.
  - Unclear how that would work practically for SSOs. We are seeking clarification.

# Compliance Highlights

- Information regarding the participation of Faith Based Organizations (NOFO pg. 10).
  - Faith-based organizations may hire, fire, and make other employment decisions on the basis of their sincerely held religious beliefs, including requiring employees to adhere to religious tenets, practices, and standards of conduct, without jeopardizing their eligibility to receive HUD funds, consistent with applicable law.
  - Faith-based organizations may not, in providing services funded by HUD, or in their outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

# Compliance Highlights

- Per the NOFO, both HQS and NSPIRE require a bathroom and a kitchen in the unit. HUD will consider requests to waive this regulatory requirement for good cause to facilitate projects proposing a housing model that does not meet this standard, such as Single Rooms Occupancy units (SROs).
  - SROs have been an eligible housing model for years, so not 100% sure what this statement is about, but existing projects without full in-unit bathrooms and kitchens will have to request a waiver.
  - We still don't have NSPIRE guidance for the CoC, but maybe this means it is coming.

# Compliance Highlights

- All projects must certify that:
  - The project applicant will not engage in illegal racial discrimination. This is consistent with the requirements of 2 CFR 200.300(a).
  - The project applicant will not operate drug injection sites or "safe consumption sites" in violation of [21 U.S.C. 856\(a\)\(1\)](#), knowingly permit the use or distribution of illicit drugs on property under their control in violation of [21 U.S.C. 856\(a\)\(2\)](#), or knowingly distribute drug paraphernalia in violation of [21 U.S.C. 863](#).
    - This certification is not a requirement that program participants must be sober in order to receive assistance, participate in treatment in order to receive assistance, or be evicted or exited from assistance for a first-time violation of a drug-related program policy or lease requirement.
    - Agencies are encouraged to read the above linked definitions and decide if they apply to their program.

# Transition Grants

# Transition Grants

- As in the FY25 NOFO, existing PSH, RRH, and TH-RRH grants have the option to transition into a Transitional Housing grant.
- A Transition grant is an application to fund a **new CoC project** through the reallocation process to transition an eligible CoC renewal project (including a Special NOFO project or DV Renewal project) from one program component to another eligible component over a 1-year period.
  - The renewal project transitioning to a new component must be fully eliminated through reallocation.
  - **Transition grant applications awarded FY 2026 funds must fully transition to the new component by the end of the 1-year grant term** and may only apply for renewal in the next CoC Program Competition under the component to which it transitioned.
    - Practically, if funded, this would give existing projects one year to transition the maximum number of clients possible to other housing sources.

# Transition Grants

- For a new project to be considered a transition grant:
  - The new project applicant must be the recipient listed on the current grant agreement for the eligible renewal grant(s) being eliminated.
  - Must include the grant number(s) of the project(s) being eliminated to create the new project.
  - Must attach a copy of the most recently awarded project application (FY24)
    - These can be downloaded from eSnaps

# Transition Grants

- Transition Grant Restrictions:
  - YHDP Renewal grants are not eligible to use the transition grant process.
  - YHDP Renewal grants must submit a YHDP Replacement application to change component types.

# Transition Grants

- Projects have the option to restructure their budget during the transition grant process.
  - Example: If you need to fund additional supportive services to correspond to HUD priorities you could create a Transitional Housing project that served fewer people than the Permanent Supportive Housing project you are eliminating and put more money in Supportive Services.
- Multiple projects can be combined into one transition grant.
- **The total transition grant budget must equal the budget of the grants being eliminated.**

# New Project Threshold Requirements

# New Project Threshold Requirements

- These are broadly more reasonable than we saw in FY25.
- These are found starting on Page 63 of the NOFO.
  - This is a summary of the highlights. Please read them yourself.

# New Transitional Housing (All Criteria)

- Demonstrate that the project will **provide and/or partner with other organizations to provide eligible supportive services** that are necessary to assist program participants to obtain and maintain housing (i.e., case management, behavioral healthcare, employment training, etc.).
- The applicant has prior experience operating transitional housing **or** other projects that have successfully helped homeless individuals and families exit homelessness within 24 months **or** has a plan in place to ensure homeless individuals and families will exit homelessness within 24 months.

# New Transitional Housing (All Criteria)

- The applicant has previously operated **or** currently operates transitional housing **or** another homelessness project, **or** has a plan in place to ensure that at least 50 percent of participants exit to a positive destination within 24 months **and** at least 50 percent of participants exit with employment income as reflected in HMIS or another data system used by the applicant.
- The project will be supplemented with resources from other public or private sources, that may include mainstream health, social, and employment programs such as Medicare, Medicaid, SSI, and SNAP.

# New Transitional Housing (All Criteria)

- Describe how the proposed project will:
  - Assess the service needs of program participants,
  - And provide individualized services for program participants during their time in Transitional Housing that will result in at least **20 hours per week of engagement in services, activities or employment for all program participants**, *except* for a program participant over age 62 **or** who is an individual with handicaps as defined in [24 CFR 8.3](#) **or** a with a developmental disability as defined under [24 CFR 578.3](#) (*examples of services or activities include case management, counseling, treatment, volunteering, work therapy, education, job training, community building activities, etc.*)
    - Employment may contribute to the 20 hours per week of engagement.
    - The project description provided here does not constitute a reporting or documentation requirement.
    - **Note:** The individual with handicaps definition linked above is not the HUD definition of disability and excludes individuals with HIV/AIDS and those whose primary disability is a substance use disorder.

# New Transitional Housing (All Criteria)

- Indicate that the proposed project will create service plans for each program participant that include:
  - The services to be provided, when and how often services will be provided, by whom all services will be provided;
  - Program participant goals, strategies for achieving those goals, and target dates for achievement to focus on improved health and wellness, housing stability, and increased employment income leading to financial stability and self-sufficiency.
- Demonstrate the average cost per household served for the project is reasonable per 2 CFR 200.404.

# New SSO - Street Outreach

- Demonstrate that the applicant has a history of, or a plan for, partnering with first responders and law enforcement to engage people living in places not meant for human habitation to access emergency shelter, treatment programs, reunification with family, transitional housing or independent living.
- The applicant must cooperate and not interfere or impede with the enforcement of local laws such as public camping and public drug use laws and assist/be willing to assist first responders in their efforts to engage homeless individuals.

# New Rapid Re-Housing

- The applicant has previously operated or currently operates a homelessness project **where**, *or has a plan in place to have*, at least 50 percent of participants exit to permanent housing within 24 months **and** at least 50 percent of participants exit with employment income as reflected in HMIS or another data system used by the applicant, *or has a plan in place to ensure this*.

# New Standalone SSO, New PSH, New SSO-CE

- Nothing really stuck out in the threshold criteria for these projects
- All Housing or Standalone SSO projects do include the following criteria:
  - The project will be supplemented with resources from other public or private sources, that may include mainstream health, social, and employment programs such as Medicare, Medicaid, SSI, and SNAP.

# Renewal Project Threshold Requirements

# Renewal Project Threshold Requirements

- When considering renewal projects for award; HUD will review information in eLOCCS, APRs, and information provided from the local HUD CPD field office, including monitoring reports and audit reports as applicable, and performance standards on prior grants, and will assess projects using the following criteria on a pass/fail basis:
  - Whether the project applicant's performance met the plans and goals established in the initial application or grant as amended;
  - Whether the project applicant demonstrated all timeliness standards for grants being renewed have been met, including those standards for the expenditure of grant funds;
  - The project applicant's performance in assisting program participants to achieve and maintain self-sufficiency and independent living and records of success, except dedicated HMIS projects are not required to meet this standard.

# Risk Review

# Risk Review

- Risk Review outlined on Page 86. This applies to new and renewal projects.
- Highlights:
  - Evaluation of past performance using public sources like **news reports**, Inspector General findings, Government Accountability Office reports, and complaints with a reasonable basis
  - Results:
    - Ability to promote self-sufficiency and economic independence
    - Number of people served or targeted for assistance
    - History of illegal discrimination, including illegal racial discrimination
    - History of subsidizing or facilitating illicit drug use or other illicit activities that conflict with the purposes of this NOFO
  - HUD in its discretion may use the results of the risk review as a sufficient and independent basis to make adverse funding decisions, including rejecting an award, applying special conditions on the award, or reducing the amount of an award.

What We Don't Know

# What We Don't Know

- A lot.
- We do not have a GIW that confirms amounts of projects eligible for renewal.
- We do not know when eSnaps will be available.
- We do not know how the CoC Board is going to choose to select and rank new and renewal projects.
  - This scenario is somehow better and significantly more complicated than in FY25.
- We do not know if there will be additional legal action related to this NOFO or if the FY25 case will have any impact when it is resolved.

Next Steps

# Next Steps

- CoC Board will meet next week and approve scoring criteria and project selection plan.
- We plan to host a bidders conference sometime the week of the 22nd or on the 29th to review these requirements.
  - We had to move too fast in FY25 and everything was confusing. The goal is to eliminate some of that confusion.
- Deadlines will be established when we officially open the competition, but expect around a month to complete your submissions.
  - Ideally this will include your local scoring documents and a draft eSnaps submission, but that depends on eSnaps being available.

What You Can Do Now

# What You Can Do Now

- **We need new projects.** At least \$10 million in new applications (including transition grants). We do believe we will get some funding in Tier 2. If you have things you want to do that meet the new TH or SSO priority, this is the time to apply.
  - Funding for YHDP and DV Bonus are restricted to continuing to serve those populations. In the event that existing YHDP and DV Bonus projects are not ranked in Tier 1, we will need new project applications that meet those criteria as well.
- If there is anything you don't like about your program, particularly if you are a temporary intervention or SSO, this is the time to restructure it and reapply as a new grant.

# What You Can Do Now

- **No matter what we do, around 40% of renewals are going to be cut.** This isn't as clear cut as FY25, so it is more difficult for the CoC to advise you on what to do. Start talking about your options internally.
- Existing housing projects will have the opportunity to apply as renewals, transition grants, or both (**both means submitting two applications**).
  - We strongly recommend that you self score your applications when the scoring criteria is released and decide what course of action makes the best use of your time.
- Review your budget. If you are a project that wants to renew and you can cut your budget, that increases the likelihood that we can get more projects into Tier 1.
  - Reminder: You can cut units proportional to the amount that you cut your budget.

# What You Can Do Now

- If you have outstanding or late APRs, submit them ASAP. If you aren't making quarterly draws, start now. **If there are compliance issues under your control, get them fixed now.**
- Review the [CoC Regulations](#), particularly if you are a new grantee. Eligible costs under the CoC program are fairly limited. The [CoC Virtual Binders](#) are a great, easy to understand resource.
- If CoC funding is no longer an appropriate fit for your agency, that is completely understandable. However, if you are walking away from funding it is extremely important that you notify us as soon as possible.
- We would encourage you to read the full NOFO, but the National Alliance put out a very good [summary](#) that is much more digestible.

# FYI: Schedule Update

- **July 8th - 10th:** Brandi and Chloe at a conference. Limited email availability.
- **July 13th - 17th:** Brandi in the woods. No email availability.
- **July 24th - 31st:** Chloe on vacation. No email availability.

Questions?