SAN BERNARDINO COUNTY

FY 2026 HUD CoC NOFO

Renewal Agencies

2026

June 23, 2026

AGENDA

1. Welcome
2. Overview of FY 2026 HUD NOFO
3. Goals and Objectives
4. Prioritization
5. Changes to Funding Tiers
6. Reallocation and Transition Grants
7. Eligibility to Move from PSH/RRH To Transitional Housing (TH)
8. Renewal Project Threshold
9. Project Types and Eligible Cost
10. Roundtable
11. Closing

National Funding Breakdown

Total Available Funding Through FY 2026 NOFO	**$4,040,000,000**
60% for Tier 1 Projects (NOFO p. 60)	$2,424,000,000
Balance:	**$1,616,000,000**
Set-aside for new TH and SSO Projects in Tier 2 (NOFO p. 36)	$1,300,000,000
Balance:	**$316,000,000**
DV Bonus Projects – (NOFO p. 6)	$52,000,000
Balance:	**$264,000,000**
Fair Market Rents (FMR) HUD must adjust awards for leasing, operating, and rental assistance BLIs based on changes to the FMR (NOFO p. 52)	**Unknown Amount**
Cost of Living Adjustment (COLA) HUD will adjust amounts for the supportive services and HMIS Costs budget lines for renewing projects (NOFO p. 93)	**Unknown Amount**
HUD will review Permanent Housing projects for families with children starting with projects ranked in Tier 1 and determine whether $430,000,000 has been awarded; if not HUD will continue awards into Tier 2 (NOFO p. 89)	**Unknown Amount**
Balance:	**Unknown**

Renewal projects of any component type ranked in Tier 2 are at high risk of nonrenewal

GOALS AND OBJECTIVES

1. Improving Outcomes
2. Creating Competition to Improve Innovation and Accountability
3. Restoring Balance to the Continuum of Care
4. Prioritizing Treatment and Recovery as a Means to Self-Sufficiency
5. Promoting Economic Self-Sufficiency
6. Advancing Public Safety for all
7. Minimizing Trauma for Vulnerable Populations
8. Expanding Access Based on Merit, and Not Ideology

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HUD NOFO HIGHLIGHTS

HUD emphasizes: “All renewals will be re-evaluated each year.”

With increased scrutiny on:

A. timeliness,
B. spending rates,
C. outcome performance,
D. response to monitoring,
E. returns to homelessness,
F. increase employment income.

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Removal of *Housing First* model

HUD is restoring the CoC program to its original goals of reducing homelessness and optimizing self-sufficiency by focusing on meaningful outcomes, expanding competition, prioritizing treatment, economic independence, and emphasizing law and order.

This NOFO incentivizes outcomes consistent with the purposes of the CoC program including optimizing self-sufficiency, reducing homelessness, and minimizing the trauma caused to communities as a whole by homelessness. HUD is committed to supporting meaningful, sustained reductions in homelessness and increases in self-sufficiency rather than measuring outputs such as the number of beds created or filled. Because unsheltered homelessness causes unique trauma to individuals, families, and communities, this NOFO focuses on reductions in unsheltered homelessness and encampments.

CoCs should prioritize projects that promote self-sufficiency, increase employment income over government assistance and promote treatment and recovery.

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PRIORITIZATION

The FY 2026 NOFO provides a a set-aside of $1,300,000,000.00 for new projects with a **priority** for Transitional Housing and Supportive Services Only projects. (Pg. 35-36 of HUD NOFO)

The FY 2026 NOFO reduces Tier 1 funding protection to **60 percent** of ARD and establishes a $1.3 billion Tier 2 set-aside with selection **priority** for new Transitional Housing and Supportive Services Only projects, increasing the competitive risk for renewal projects ranked in Tier 2.

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CHANGES TO FUNDING TIERS

Tier 1	Tier 2
60% of Annual Renewal Demand	The difference between Tier 1 and the sum of the CoC's ARD, CoC Bonus, and DV Bonus Amount
HUD selects all projects ranked in Tier 1 that pass project quality, project threshold, and risk review	After selecting all approved Tier 1 projects, HUD will select projects ranked in Tier 2 following the selection criteria and using an assigned point value for each project based on (1) CoC Merit Score, (2) CoC Project Ranking, and (3) Supportive Service Participation Requirement

- Everything except CoC Planning (or UFA costs) is competitive and must be ranked in Tier 1 or Tier 2, including YHDP and DV Bonus
- Projects awarded under the SNOFO that expire in 2027 are eligible to apply for renewal
- Any eligible project types can be included in Tier 1 or 2: Transitional Housing, Rapid Rehousing, Permanent Supportive Housing, HMIS, SSO-CE, SSO-SO, and other SSO
- New minimum and maximum amounts to CoC Bonus
- Significant changes to Selection Criteria

REALLOCATION AND TRANSITION GRANTS

Reallocation is a process to shift funds in whole or in part from eligible renewal to one or more new projects. Pg. 13 HUD NOFO

- **Transition** grants are a type of reallocation to change from one program component to another eligible component over a 1-year period.
  - Operating start date of new grant will be the day after the end of the previous expiring grant term.
  - For a new project to be considered a transition grant, the new project applicant must be the recipient listed on the current grant agreement.
  - Applicants wishing to apply for a transition grant must have the consent of its Continuum of Care Pg. 21 HUD NOFO

ELIGIBILITY TO MOVE FROM PSH/RRH TO TRANSITIONAL HOUSING (TH)

Things to Consider:

- Eligibility of participants from PH to TH. People in PH are housed and are not homeless, a requirement for TH. Limited circumstances in which someone exiting PH can be eligible at intake for TH.

SUMMARY OF HUD CATEGORIES OF HOMELESSNESS

CATEGORY 1 **Literal Homelessness** **(Paragraph 1 – 24 CFR 578.3)** Includes individuals and families who live in a place not meant for human habitation (including the streets or in their car), emergency shelter, transitional housing, and hotels paid for by a government or charitable organization.	**CATEGORY 2** **Imminent Risk of Homelessness** **(Paragraph 2 -24 CFR 578.3)** Individuals or families who will lose their primary nighttime residence within 14 days, have no subsequent residence identified, and have no other resources or support networks to obtain other permanent housing.
CATEGORY 3 **Homeless Under Other Statutes** **(Paragraph 3 -24 CFR 578.3)** Includes unaccompanied youth under 25 years of age, or families with children and youth, who do not meet any of the other categories but are homeless under other federal statutes, have not had a lease and have moved 2 or more times in the past 60 days and are likely to remain unstable because of special needs or multiple barriers to employment.	**CATEGORY 4** **Fleeing Domestic Violence** **(Paragraph 4 – 24 CFR 578.3)** Includes individuals or families who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking and who lack resources and support networks to obtain other permanent housing.

RENEWAL PROJECT THRESHOLD

Renewal projects must meet the minimum project eligibility, capacity, timeliness, and performance standards identified in the NOFO or they will be rejected from consideration for funding: 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:

a) whether the project applicant's performance met the plans and goals established in the initial application or grant as amended;
b) whether the project applicant demonstrated all timeliness standards for grants being renewed have been met, including those standards for the expenditure of grant funds;
c) 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; and
d) evidence of unwillingness of project applicants to accept technical assistance, a history of inadequate financial accounting practices, indications of project mismanagement, a drastic reduction in the population served, program changes have been made without prior HUD approval, or the loss of project site control. (Pg. 61 HUD NOFO)

DEFINING PROJECT TYPES AND ELIGIBLE COSTS

Transitional Housing (TH)

- Up to 24 months length of stay; site based or scattered site
- Occupancy/participants agreements or lease or sublease agreement
- Service Participation Agreements
- Eligible Costs
    - Leasing costs
    - Operating costs (if site based)
    - Supportive Services (case management, employment, mental health, housing navigation)
    - Admin - 10%

Supportive Services Only (SSO)

- Street outreach, service centers, employment services, healthcare services, etc.
- Purpose: to link to, and collaborate with , housing resources in the system of care
- Eligible Costs
    - Leasing costs of a non-residential program site
    - Supportive services
    - Admin – 10%

LETTER OF INTEREST

- Letter of Interest due June 25, 2026 by 2pm (PST)
- Email to HomelessRFP@hss.sbcounty.gov
- Letter of Intent or “LOI” will be sent to renewal applicants that will not be transitioning to TH or SSO


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ROUNDTABLE