

LOCAL COMPETITION, SCORE, AND RANKING PROCEDURES FOR THE FY 2026 ANNUAL COC COMPETITION

TOTAL CARE FOR THE HOMELESS COALITION CONTINUUM OF CARE (SC 501)

JUNE 2026

INTRODUCTION AND BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) released the [Fiscal Year 2026 Continuum of Care \(CoC\) Competition and Youth Homelessness Demonstration Program \(YHDP\) Grants Notice of Funding Opportunity \(NOFO\)](#) on June 1, 2026. The purpose of the funding is to promote a community-wide commitment to the goal of ending homelessness and to provide funding for efforts by nonprofit providers, states, local governments, and Indian Tribes or tribally designated housing entities to quickly rehouse homeless individuals, families, youth, persons fleeing domestic violence, dating violence, sexual assault, and stalking while minimizing the trauma and dislocation caused by homelessness; to promote access to and effective utilization of mainstream programs by homeless individuals and families, and to optimize self-sufficiency.

For the FY 2026 NOFO, HUD will continue to require Collaborative Applicants to rank all projects, except CoC planning, in two tiers. Tier 1 is equal to 60 percent of the combined Annual Renewal Demand (ARD) for all projects eligible for renewal. Tier 2 is the difference between Tier 1 and the sum of the CoC's ARD, CoC Bonus, and DV Bonus funds. All new and renewal projects, including YHDP, will need to be ranked within the two tiers.

As stated in Section I.A of the FY 2026 CoC Program Competition NOFO, approximately \$4,040,000,000 is available in the FY 2026 CoC Program Competition NOFO, including at least \$104 million available for Domestic Violence (DV) Bonus projects, described in Sections IV.D.1.e and IV.D.1.f of the NOFO. All requirements in the FY 2026 application process, including requirements for the entire CoC Consolidated Application and the total amount of funds available, are included in the FY 2026 NOFO.

CHANGES FROM PREVIOUS FY 2024 AND 2025 NOFO

Changes to Tiering:

Tier 1 is set at 60 percent of the CoC's Annual Renewal Demand (ARD). In FY 2024, Tier 1 was set at 90 percent. This reduction significantly increases competition for project funding, as 40% of the CoC's ARD and new funding made available through the NOFO will fall within Tier 2.

New HUD Funding Process:

All project applications, including YHDP renewal and replacement projects, must be competitively ranked, except for CoC Planning.

- 1) HUD will select all CoC Planning and UFA Costs applications that meet project eligibility threshold requirements. Only one CoC Planning and one UFA Costs (if applicable) project application can be submitted per CoC.

- 2) HUD will then select all projects in Tier 1 that pass project eligibility thresholds as described in section V.A.4 of the NOFO.
- 3) HUD will then review DV Bonus projects (this does not include DV Reallocation or the renewal of projects originally funded under the DV Bonus) already selected for funding through the above process and determine whether \$104 million has been awarded to DV Bonus projects:
 - a. If at least \$104 million has been selected for conditional award no further action is needed.
 - b. If \$104 million has not been selected for conditional award – HUD will continue down the list and fund additional DV Bonus projects by HUD’s Tier 2 score until at least \$104 million has been selected.
- 4) HUD will then review Permanent Housing projects for families with children already selected for funding through the above process and determine whether \$430 million has been awarded to Permanent Housing projects that serve families with children:
 - a. If at least \$430 million has been selected for conditional award no further action is needed.
 - b. If \$430 million has not been selected for conditional award – HUD will continue down the list and fund additional Permanent Housing for families with children projects by HUD’s Tier 2 score until at least \$430 million has been selected.
- 5) HUD will then select new Transitional Housing (TH) or Supportive Service Only (SSO) projects ranked in Tier 2 that meet project eligibility thresholds in the order of HUD’s Tier 2 score as described in section V.D.3.b of the NOFO.
- 6) If the 1.3 billion set aside is not yet reached, HUD will then continue selecting other types of new projects ranked in Tier 2 that meet project eligibility thresholds in the order of HUD’s Tier 2 score as described in section V.D.3.b of the NOFO until the \$1.3 billion amount has been reached. At this point HUD will remove any remaining unselected new projects remaining in Tier 2.
- 7) If any funds are remaining, HUD will then continue selecting renewal projects based on HUD’s Tier 2 score until all remaining available funds have been exhausted.

New Project Eligibility and Quality Thresholds

HUD may now conduct a separate risk review for both renewal and new applicants, allowing projects to be rejected based on past conduct or policy alignment concerns regardless of performance outcomes. The FY26 NOFO adds new pass or fail standards for both renewal and new projects. These standards include potential disqualification for a history of activities HUD considers non-compliant, such as racial preferences, illegal discrimination, violations of sex binary definitions, or certain harm reduction practices. New projects must also meet additional quality threshold factors. For example, Transitional Housing projects must propose at least 20 hours of customized services per participant, and street outreach projects are evaluated on their past experience or planned cooperation with law enforcement related to local laws concerning public camping or drug use.

System Level Review Changes (CoC Application Scoring)

The FY26 NOFO continues, and increases, the prior scoring Merit Review structure organized into four rating areas, with slight changes in weighting and emphasis compared to prior years. CoCs must certify they will not operate drug injection sites or safe consumption sites; knowingly permit illicit drug use, knowingly distribute drug paraphernalia, have enforcement protocols, cooperation with law enforcement, use of involuntary commitment standards, and formal and/ or informal partnerships with many new sectors not previously included in the CoC Application scoring.

HUD Policy Priorities

The FY 2026 NOFO reflects a policy rebalance. While PSH remains eligible, HUD is emphasizing Transitional Housing and Supportive Service Only projects, treatment, recovery, employment, and performance-based outcomes alongside permanent housing. This represents a meaningful shift in priority weighting compared to prior cycles.

Policy Initiative Preference Points

The FY26 NOFO also introduces two policy initiative preference point opportunities for CoCs. First, CoCs may receive preference points if more than 50 percent of proposed activities occur within an [Opportunity Zone](#). Second, CoC's may receive preference points they have a CoC policy or statement to ensure all housing projects submitted by the CoC will not operate drug injection sites or "safe consumption sites," knowingly distribute drug paraphernalia on or off property under their control, knowingly permit the use or distribution of illicit drugs on property under their control, or conduct, permit, encourage, or allow any of these activities under the pretext of "harm reduction."

For more details, see the full NOFO overview from the [National Alliance to End Homelessness](#).

ELIGIBLE APPLICANTS

Non-profit organizations, public housing authorities, States, and units of local government that have the capacity to administer federal funding and have experience administering programs and services that assist people experiencing homelessness and/or a housing crisis are eligible to apply for FY26 HUD CoC funding.

LOCAL COC PROJECT PRIORITIES

In accordance with the FY 2026 CoC NOFO priorities, the CoC has established funding and project priorities that will help guide project ideas and strategies for application submission. The following funding priorities will guide project planning, application development, and the project scoring and ranking process:

Tier 1:

1. HMIS and CES grants.
2. PSH Renewal projects up to the remaining 60% of the CoCs ARD. If renewal PSH project funding is less than the remaining 60% of the CoC ARD then the remainder of Tier 1 will be prioritized for the highest scoring renewal RRH or TH/RRH projects.

Tier 2:

1. Highest scoring new TH and/ or SSO projects, including Street Outreach Only.
2. Highest scoring new projects other than TH and SSO (RRH, PSH, SSO-CES)
3. Highest scoring renewal projects (highest risk of not being funded by HUD)

LOCAL COMPETITION DEADLINES

1. **Project Applications Due for Scoring and Ranking.** All Local Project Applications (outside of e-snaps) are required to be submitted to the CoC **on July 20, 2026**. Email a copy of the Application(s) and attachments to **tchc.coc.secretary@gmail.com**.

2. **Project Scoring and Ranking.** The HUD Program Selection & Monitoring Committee will review , score, and rank submitted projects between **July 21, 2026 – July 31, 2026.**
3. **Project Applicant Notification.** Applicants will be notified through written notification by **August 10, 2026.** The notification will indicate if your project(s) will be included in the CoC Application to HUD, the ranked position of your project(s) in the CoC Tiered Ranking, and the funding amount the project is being submitted for.
4. **Applicant Appeals Process.** CoC project applicants who have specific concerns regarding the review and scoring of their application may file an appeal no later than **August 16, 2026.** Appeals will only be considered in cases where the applicants have material concerns specific to the review process and scoring of their application. Please see the Appeals Process section contained later in this document for more information.
5. **E-snaps Applications Due.** All e-snaps applications are required to be submitted to the CoC **on August 17, 2026.** Email a PDF copy of the Application to **tchc.coc.secretary@gmail.com.**
6. **E-snaps Technical Review Debrief.** Applicants that receive notification that their application is being included in the CoC Application to HUD will receive a written e-snaps technical review debrief by **August 20, 2026.** The debrief will contain any revisions to the e-snaps application the Committee deemed necessary and any suggestions to strengthen the application. Thereafter, applicants will have the opportunity to revise and strengthen applications based on the debrief.
7. **Revised e-snaps Applications Due.** Revised project applications are due to the CoC in e-snaps on or before **August 24, 2026.**
8. **Posting of Full Application.** The CoC will post the full application, including the Collaborative Application, project applications, priority listing and all attachments to the [TCHC website](#) no later than **August 25, 2026.**
9. **HUD Submission.** The FY 2026 CoC Consolidated Application and FY 2026 Priority Listing will be submitted to HUD in e-snaps by **8:00 PM on August 26, 2026.**

AVAILABLE FUNDING, ELIGIBLE PROJECTS, AND BONUS PROJECTS

AVAILABLE FUNDING

CoC Number and Name	Estimated ARD	Tier 1	Tier 2	CoC Bonus	DV Bonus
SC-501 Myrtle Beach, Sumter City & County CoC	TBD	TBD	TBD	TBD	TBD

ELIGIBLE PROJECTS AND BONUS PROJECTS

Renewal Projects:

Renewal project applications must be submitted by the same recipient that signed the executed FY25 grant agreement for the grant being renewed, or entity that became the recipient through a grant agreement transfer amendment. To be eligible as a renewal project, the application must (1) be for the same amount listed in the FY 2026 Grant Inventory Worksheet or the amount reduced due to forced or voluntary reallocation; (2) be for the same program component; (3) must continue to serve program participants who are enrolled in the project under the project's current grant agreement; and (4) in the case of DV Bonus renewal projects, must continue to serve the same subpopulation.

Subject to HUD approval and the terms of the NOFO, the following requests may be included in a renewal application:

- A. CoC renewal project applications may include requests to add eligible activities to a project, shift up to 10 percent of funds from one approved eligible activity to another, and change the subpopulation served.
- B. DV renewal project applications may include requests to add eligible activities to a project and shift up to 10 percent of funds from one approved eligible activity to another.

Renewal applications that include requests to shift more than 10 percent of funds from one approved eligible activity to another will not be considered during the CoC Program Competition by HUD. If an application includes a budget shift that exceeds 10 percent, HUD will correct the project budget to reflect the previously awarded budget amounts.

New Projects:

Applicants may submit new projects created through reallocation, DV reallocation, YHDP replacement, CoC Bonus, DV Bonus, or a combination of reallocations/ CoC Bonus, reallocation/ DV reallocation and CoC Bonus/ DV Bonus.

Reallocation and CoC Bonus Projects:

The following project types are available for new projects funded through reallocation or the CoC Bonus:

- A. Supportive Services Only (SSO/ SSO Street Outreach) – Project applicants may apply for SSO projects consistent with 24 CFR 578.37 and 578.53, including projects with the outreach service activity described at 24 CFR 578.53(e)(13) to individuals and families primarily residing in places not meant for human habitation.
- B. Transitional Housing (TH) - projects must serve persons who qualify as homeless under paragraphs (1), (2), or (4) of 24 CFR 578.3 Section 103(b) of the McKinney-Vento Homeless Assistance Act.
- C. Permanent Supportive Housing (PH-PSH) - New PH-PSH project must serve persons who qualify as homeless under paragraphs (1), (2), or (4) of 24 CFR 578.3 or Section 103(b) of the McKinney-Vento Homeless Assistance Act where the head of household also has a qualifying disability as defined section 401(9) of the McKinney- Vento Homeless Assistance Act.
- D. Rapid Rehousing (PH-RRH) – projects must serve persons who qualify as homeless under paragraphs (1), (2), or (4) of 24 CFR 578.3 Section 103(b) of the McKinney-Vento Homeless Assistance Act.
- E. SSO- Coordinated Entry (SSO-CE) – Project to develop or operate a centralized or coordinated assessment system. Projects must serve persons who qualify as homeless under paragraphs (1), (2), or (4) of 24 CFR 578.3 Section 103(b) of the McKinney-Vento Homeless Assistance Act.

- F. Dedicated HMIS – projects that can only be carried out by the HMIS Lead listed in the CoC Applicant Profile in e-snaps. Eligible costs under a Dedicated HMIS grant can be found at 24 CFR 578.57(a).

Domestic Violence Reallocation and Bonus Projects:

DV Bonus funds can be applied for by an eligible applicant for projects that are dedicated to persons actively fleeing or are survivors of domestic violence, dating violence, sexual assault, and stalking who qualify under the definition of homeless at 24 CFR 578.3 or section 103(b) of the McKinney-Vento Homeless Assistance Act. DV Bonus funding may be used for new projects and/or to expand an existing renewal project that is not dedicated to serving persons fleeing and/or survivors of domestic violence, as defined above, so long as the DV Bonus funds for expansion are solely used for additional units, beds, or services dedicated to persons eligible to be served with DV Bonus funding.

If an applicant proposes to use DV Reallocation funds to expand an existing renewal project that is not currently dedicated to serving individuals and families of persons experiencing trauma or a lack of safety related to fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking to dedicate additional beds, units, persons served, or services provided to existing program participants of this population, the entire project, including the renewal project being expanded, must serve 100 percent individuals and families of persons experiencing trauma or a lack of safety related to fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking who qualify under paragraphs (1) or (4) of the definition of homeless at 24 CFR 578.3 or section 103(b) of the McKinney-Vento Homeless Assistance Act.

Applicants may apply for the following types of DV Reallocation and DV Bonus projects:

- A. Rapid Re-housing (PH-RRH)
- B. Transitional Housing (TH)
- C. SSO Projects for Coordinated Entry (SSO-CE) to implement policies, procedures, and practices that equip the CoC’s coordinated entry to better meet the needs of people experiencing homelessness who are survivors of domestic violence, dating violence, or stalking (e.g., to implement policies and procedures that are trauma-informed, client-centered or to better coordinate referrals between the CoC’s coordinated entry and the victim service providers coordinated entry system where they are different). CoCs may only submit one DV funded SSO-CE project per fiscal year competition.

Transition Grants

A Transition grant can be used to transition an eligible renewal project, being eliminated entirely through reallocation, from one project type to another eligible project type over a one-year period. For a new project to be considered a Transition grant, the applicant for the new project must be the recipient listed on the current grant agreement for the eligible renewal grant being transitioned through reallocation. The definition of a transition grant and process is described in Section II.B.3.k. of the FY 2026 NOFO. Transition grants in this competition are eligible for renewal in subsequent fiscal years for the eligible activities of the new program component. The new transition project must meet the following requirements to be eligible:

- A. The current renewal project recipient must have the consent of its Continuum of Care (HUD will consider the CoC accepting and ranking the project on the CoC priority list as consent); and

- B. The new project application must meet project eligibility and project quality thresholds established by HUD in sections II.B and V of the NOFO.

Pursuant to 24 CFR 578.51(b), rental assistance must be administered by a State, unit of general local government, or a public housing agency. This requirement rental assistance provided through transitional housing projects. Nonprofit organizations cannot serve as the rental assistance administrator; however, nonprofit recipients of transitional housing grants may contract with a State, local government entity, or public housing agency to administer rental assistance on their behalf while continuing to operate the housing and deliver supportive services directly.

Recipients of an eligible renewal project that are interested in applying for a new project Transition grant, to move their grant to another eligible project type, must notify the CoC through the local application process by submitting a new project Transition Application during the local competition. If an applicant submits a new project Transition Application, the HUD Program Selection & Monitoring Committee will not consider the applicants previously awarded FY 2025 project for funding and will only review and score the new project Transition Application for potential inclusion on the CoC Priority Listing submitted to HUD.

Please note that new project Transition applications will still compete with all other project application proposals.

Transition grants HUD conditionally awards in the FY 2026 CoC Program Competition will have one year to fully transition from the original project type to the new project type during the normal operating year once HUD executes the grant agreement.

Transitioning from Permanent Housing to Transitional Housing

When considering transitioning from a permanent housing project (PSH or RRH) to a transitional housing project please note the following:

- Eligibility of current PH residents for new TH - Program participants residing in CoC funded RRH and PSH are housed and are not homeless. Program participants in these project types maintain eligibility for the purposes of a transfer into PSH only (42 USC 11383(f)). As HUD noted in its recent guidance, current program participants in RRH or PSH could be eligible for TH if the program participant has been referred by the CoC's coordinated entry and one of the following is true:
 - the program participant is fleeing or attempting to flee domestic violence, does not have another residence, and does not have the resources or support networks needed to obtain other permanent housing;
 - the program participant's lease expires within 14 days, does not have another residence, and does not have the resources or support networks needed to obtain other permanent housing; or,
 - an eviction process has been initiated for the program participant in their current housing, and they must vacate the unit within 14 days.
- Administration of rental assistance in TH - Nonprofit organizations are not authorized to administer rental assistance in CoC-funded transitional housing. The recipient of a TH project that uses rental assistance to pay for rental costs must be a unit of state or local government or a Public Housing Authority. Nonprofit organizations may either use leasing dollars in a TH project or enter into a contract or subrecipient agreement with an eligible entity that can administer the rental assistance.

Expansion Projects

The process by which a renewal project applicant submits a new project application to expand its current operations by adding units, beds, persons served, services provided to existing program participants, or in the case of an SSO-CE or HMIS grant, increase the current activities within the CoC's geographic area. DV Bonus funds can be used to expand an existing renewal project if the expansion project is dedicated to persons fleeing and/ or fleeing domestic violence, dating violence, sexual assault, human trafficking, or stalking who qualify under paragraph (4) of the definition of homeless at 24 CFR 578.3 or section 103(b) of the McKinney-Vento Homeless Assistance Act. Only the new project application for the expansion will be considered for DV Bonus funds in these situations. The expansion project (i.e., the existing renewal project and the new expanded portion of the project) must meet the conditions below:

- A. The renewal project and the new expanded portion of the project must both have the same component type.
- B. Eligible project components for new expansion grants not using DV Bonus funding: PH-PSH, PH-RRH, SSO-CE, or HMIS. The new expanded portion of the project may be funded through reallocation or CoC Bonus.
- C. If using DV Bonus funds, eligible project components include RRH, TH, SSO-CE. The new expanded portion of the project be solely for additional units, beds, or services dedicated to persons fleeing and/ or survivors of domestic violence, dating violence, human trafficking, or stalking as defined above.
- D. If using DV reallocation funds, to expand an existing renewal project that is not currently dedicated to serving individuals and families of persons experiencing trauma or a lack of safety related to fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking to dedicate additional beds, units, persons served, or services provided to existing program participants of this population, the entire project, including the renewal project being expanded, must serve 100 percent individuals and families of persons experiencing trauma or a lack of safety related to fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking who qualify under paragraphs (1) or (4) of the definition of homeless at 24 CFR 578.3 or section 103(b) of the McKinney-Vento Homeless Assistance Act.

To apply for an expansion grant with CoC Bonus, DV Bonus, DV Reallocation, or CoC Reallocation funding, project applicants must submit separate new and renewal project applications and both projects must be ranked and included on the CoC Priority List. If both the new expansion project and the renewal project it expands are conditionally selected for funding by HUD, one grant agreement incorporating both approved project applications will be executed by HUD.

Consolidated Projects

Eligible renewal project applicants will continue to have the ability to consolidate two or more eligible renewal projects (but no more than ten projects) into one project application during the application process. The projects being combined during a grant consolidation will continue uninterrupted. To be eligible for consolidation, the projects must have the same recipient and be for the same component. HUD will not permit projects with the following characteristics to consolidate:

- A. outstanding audit or monitoring findings,
- B. outstanding obligation to HUD that is in arrears,
- C. unresolved construction delays,
- D. history of poor financial management or drawdown issues,

- E. history of low occupancy levels, or lack of experience in administering the project type, or
- F. other capacity issues.

HUD will not permit a transitional housing and a permanent housing project to consolidate to form a Joint TH and PH-RRH component project and will not permit a transition grant to be consolidated with any other project. If a project meeting these characteristics attempts to consolidate as part of the project application process, the submitted consolidated project will be rejected by HUD during the application review process. See Section II.B.3.j of the FY 2026 NOFO for additional information about other types of consolidations prohibited by HUD.

To apply for a consolidated grant, applicants must submit separate renewal project applications for each of the grants that are proposed to be consolidated along with a budget that combines the budgets from both projects. Project applications for the grants that are proposed to be consolidated will be scored, and if all the grants are selected, HUD will award the single consolidated grant. If one of the grants proposed to be consolidated is found to be ineligible for consolidation or is not selected, HUD will award all other grants that are eligible for renewal and selected as separate grants. See Section II.B.3.j of the FY 2026 NOFO for additional requirements.

REALLOCATION

Reallocation, DV reallocation, and YHDP reallocation is a process CoCs use to shift funds in whole or part from existing eligible renewal projects to create one or more new projects without decreasing the CoC's ARD. New projects created through reallocation, DV reallocation, or YHDP reallocation must meet the requirements set forth in Sections V.A.1.a and the project eligibility and project quality thresholds established in Sections V.A.4.a and II.B.3.e (DV Reallocation), II.B.3.f (CoC Reallocation), and II.B.3.h (YHDP Reallocation) of the FY 2026 NOFO.

Reallocation provides CoCs with the opportunity to:

- A. Reallocate excess project funding, and
- B. Move funding from low-performing projects to newly created projects with the intent that the new projects will be higher performing.

It is the policy of the CoC that reallocation can occur through the following methods:

A. Voluntary Reallocation:

A recipient, as defined in 24 CFR §578.3, may voluntarily reallocate its existing project by reducing its project's annual renewal amount in whole or in part, as defined in 24 CFR §578. A recipient that voluntarily reallocates an existing project and wishes to create a new, eligible project, may submit a new project application to the CoC. Solicitation for voluntary reallocation will be made prior to the opening of the local competition. If necessary, individual meetings will be scheduled with each participant to discuss the reallocation.

B. Involuntary Reallocation:

The CoC will make reasonable efforts to ensure that projects are meeting performance standards and fulfilling the requirements of CoC guidelines prior to enforcing involuntary reallocation. If, after reasonable corrective efforts have been made, there continue to be deficiencies in project performance, the HUD Program Selection & Monitoring Committee may recommend the project for involuntary reallocation during project scoring and selection.

A determination for involuntary reallocation will be made on the following criteria:

1. **Project Performance** takes into consideration the type of project, its performance relative to that type, timely submission of Annual Performance Reports (APRs) to HUD, and timely expenditure of funds. Reallocation will automatically be considered for any project submitting an APR or any other required reporting six months or more past its due date.
2. **Utilization and Effectiveness** factors bed/unit operating capacity and cost-effectiveness relative to project type and population served. Reallocation will automatically be considered for any project utilizing less than 80% of its bed/unit capacity for either the most recently completed project term/grant year, or the current year's Housing Inventory Count (HIC).
3. **Extent of participation in HMIS (or Comparable Database) and Coordinated Entry**
 - All CoC-funded programs, including Victim Service Providers (VSPs), are expected to accept housing referrals solely from the CoC's Coordinated Entry System. VSPs may operate a Comparable Database but are still required to accept referrals directly from the coordinated Entry for CoC-funded programs;
 - Must participate in Coordinated Entry case conferencing; and
 - Must contribute to meeting local System Performance Measurement goals, including data quality goals
4. **CoC NOFO Requirements and/ or Funding Priorities** as determined by the most recent CoC Notice of Funding Opportunity (NOFO), other HUD-published funding priority listings, or CoC local funding priorities.

The CoC HUD Program Selection & Monitoring Committee (referred to herein as “the Committee,”), a sub-committee of the TCHC CoC will evaluate all projects requesting funding the most recent CoC Program Competition NOFO to determine if any projects eligible for renewal should be reduced or eliminated to develop new projects. The Committee makes decisions about involuntary reallocation(s) during the CoC Priority List Committee meeting and the final priority list recommendation is presented to the CoC Board for approval.

Recipients who administer a project that has been selected for involuntary reallocation will receive notification, including the reasons for the reallocation, from the Collaborative Applicant agency in writing, outside of e-snaps.

C. Reallocation Conditions

For voluntary and/ or involuntary reallocations, an entire grant can be reallocated, or a portion of the grant can be reallocated. For voluntary reallocation, the grantee must indicate the total percentage or dollar amount of their current award to be reallocated to other projects.

D. Reallocation Appeal Process

Recipients selected for involuntary reallocation may appeal the decision in writing during the appeal period after notification of selection for involuntary reallocation. The written notification should provide justification for the continued need for the project(s) in question to maintain funding at its current renewal demand.

The CoC will review all appeals and provide a final recommendation to the CoC within three (3) business days of receipt of the appeal.

E. Reallocated Funds

CoC program funds made available through reallocation may be used to develop one or more new projects. Should no viable new projects be identified, CoC program funds made available through reallocation may be available for the expansion of other eligible renewal projects, subject to current CoC funding priorities and HUD NOFO requirements. If there are no new projects or expansion of renewal projects to use the reallocated funds the CoC may publish an additional request for project applications. Please note that the timeline for submitting applications in this additional request will be truncated.

F. Eligible Projects

The CoC may use reallocated funds to create the following projects:

1. Permanent Supportive Housing (PSH)
2. Rapid Rehousing (RRH)
3. Transitional Housing (TH)
4. Supportive Service Only (SSO) Projects, including standalone Street Outreach
5. Dedicated HMIS projects

The CoC may use DV reallocated funds to create the following projects:

1. RRH
2. TH
3. SSO-CE to implement policies, procedures, and practices that equip the CoC’s coordinated entry to better meet the needs of people experiencing homelessness who are survivors of domestic violence, dating violence, or stalking (e.g., to implement policies and procedures that are trauma-informed, client-centered or to better coordinate referrals between the CoC’s coordinated entry and the victim service providers coordinated entry system where they are different). CoCs may only submit one DV funded SSO-CE project per fiscal year competition.

G. Wind-Down Responsibilities for Reallocated Projects

It is the responsibility of the agency whose original project is being reallocated to successfully place those currently receiving housing into another comparable or better housing and/ or services situation. New projects will accept clients from a project being wound down if the projects serve the same demographic population(s). The CoC will assemble a committee to support any projects being wound down that request assistance from the CoC Board in placing their existing clients into a new housing situation. However, the current grantee bears ultimate responsibility for successful placement of clients impacted by the dissolution of the project being reallocated.

CONTINUUM OF CARE DRUG ENABLEMENT POLICY

1. Prohibited Activities

CoC-funded housing projects are prohibited from operating drug injection sites or “safe consumption sites,” knowingly distributing drug paraphernalia on or off property under their control, knowingly permitting the use or

distribution of illicit drugs on property under their control, or conducting any of these activities under the pretext of “harm reduction”.

2. Enforcement and Remedies

CoC-funded housing projects determined by the CoC to be in violation of the above will be immediately reported to HUD. The CoC will take any remedy action allowable by law, including but not limited to reallocating the project in the next CoC NOFO funding competition.

3. Treatment and Recovery Services

The CoC encourages all projects within the CoC’s geographic area to provide, directly or through referral, substance use disorder treatment and recovery housing within or outside of the CoC’s geographic area.

4. Permissible Program Requirements

The CoC does not restrict or prohibit CoC-funded housing projects that require program participants to be sober or to participate in treatment as a condition of assistance in accordance with 24 CFR 578.

PROJECT APPLICATION REVIEW AND OVERSIGHT

HUD expects each CoC to implement a thorough review and oversight process at the local level for both new and renewal project applications submitted to HUD in the FY 2026 CoC Program Competition. To meet this expectation, the CoC closely reviews information provided in each project application in order to ensure that:

1. All proposed program participants will be eligible for the program component type selected;
2. The proposed activities are eligible under the 24 CFR part 578;
3. Each project narrative is fully responsive to the question being asked and that it meets all of the criteria for that question as required by the NOFO and included in the detailed instructions provided in e-snaps;
4. The data provided in various parts of the project application are consistent; and
5. All required attachments correspond to the attachments list in e-snaps and the attachments contain accurate and complete information.

LOCAL PROJECT APPLICATION

All renewal and new projects are required to submit a Local Project Application. The CoC Local Project Application serves to: (1) confirm the capacity of agencies to provide CoC funded programs; (2) provide information on program delivery in order to evaluate performance and meeting HUD criteria for scoring and ranking of projects by the HUD Program Selection & Monitoring Committee; and (3) provide project level narrative to be utilized in the CoC Program application.

RATING CRITERIA

Each of the questions included in the Local Project Applications correspond to criteria articulated in the CoC’s Project Scoring Tool and the FY 2026 CoC NOFO. The FY 2026 CoC NOFO requires CoCs to use objective, performance-based scoring criteria and selection priorities that are approved by the CoC Board to determine the extent to which each project addresses HUD’s policy priorities.

PROJECT SCORING AND RANKING PROCESS

All renewal and new applications will be reviewed by an unbiased review panel composed of representatives from neutral (non-applicant) organizations, referred to as the HUD Program Selection & Monitoring Committee. The Committee will drive the project scoring and ranking process and will recommend to the CoC Board a project scoring tool that meets all HUD and CoC requirements.

RATING AND RANKING COMMITTEE MEMBERS

HUD Program Selection & Monitoring Committee is comprised of local representatives and consultants who are knowledgeable about homelessness and housing in our CoC and the best practices nationally and who are broadly representative of the relevant sectors, subpopulations, and geographic areas. These representatives may be comprised of a consulting firm that specializes in the CoC program and a cross-section of groups participating in the CoC, including faith-based providers, private sector, non-profit providers of homeless services and housing and jurisdiction staff. Committee members have no financial stake or interest in a CoC funded program.

The project scoring and Ranking process will take place **July 21, 2026 – July 31, 2026**. Committee members will be oriented to the NOFO, the CoC competition, the Project Scoring Tool, and the CoC's priorities. They will receive each application electronically and review each application independently. Projects will first be rated based on minimum threshold requirements, then ratings will be assigned based on customized rating criteria established by the CoC.

Raters will convene to review rating scores and rank applications. Thereafter, the Committee will discuss and adjust the ranking for each project based on its established criteria and the CoC's priorities. The recommended ranking will include a motion, a second, and a majority of the members voting in favor of the recommended ranking. The recommended ranking will then be presented and voted on by the CoC Board.

RATING

Each project application will be reviewed and scored by independent reviewers from the Committee before the date of the Priority List meeting.

- The Committee lead will first read through each application for completeness, then double check to see if each application meets the Threshold Requirements.
- For renewal projects the Committee Lead will conduct the project performance evaluation based on the most recently completed Annual Performance Report submitted to HUD through SAGE.
- Each independent reviewer will then score the applications that passed the threshold review based on the threshold criteria outlined in the CoC approved Project Scoring Tool.
- After each reviewer scores the application using the CoC approved Project Scoring Tool, the committee will calculate the average of the scores, and enter the calculated scores in the final scoring matrix. This calculation will give the Committee the preliminary project ratings.

RANKING AND HUD'S HOMELESS POLICY PRIORITIES

The scores from each Committee member will be computed and averaged for each project and entered into the CoC's Project Scoring tool, which generates the preliminary project ranking list from highest to lowest average score. The Committee will then discuss all projects and move up in ranking those project applications that the CoC determines are high priority, high performing, / or meet the needs and gaps as identified in the CoC. The

Committee considers the policy priorities and any funding caps established in the NOFO in conjunction with local priorities to determine the ranking of new and renewal project application requests.

New projects created through reallocation and/or DV reallocation will be ranked based on the performance of the renewal application which is being reallocated if the same organization is submitting the new project application. New projects created through reallocation and/ or DV reallocation that are applied for by a different organization than the one being reallocated from will be ranked based on the criteria set forth in the Project Scoring Tool for new project applications.

Any remaining projects not fitting in the amount allocated under Tier 1 are placed in Tier 2. The remaining projects selected for funding will be ranked and placed into Tier 2 until all Tier 2 funds are allocated. Projects that scored well but fell outside the CoC's pro rata share are encouraged to re-submit in a future competition.

TIERS

To ensure that CoCs have the opportunity to prioritize their projects locally in the event that HUD is not able to fund all renewals, HUD requires that CoCs rank projects in two tiers. Tier 1 is equal to 60 percent of the CoC's Annual Renewal Demand (ARD). Tier 2 is the difference between Tier 1 and the sum of each CoC's ARD, CoC Bonus, and DV Bonus. All projects except the planning grant will be rated and ranked within two tiers.

PROJECT APPLICATION APPEALS PROCESS

If an applicant wishes to appeal scoring and/ or ranking outcomes that resulted in denied or decreased funding, they must submit a letter of appeal to the chair of the CoC. Applicants will have 7 days from the receipt of their written confirmation that their application was reduced or will not be included in the CoC Application. The CoC Board will be convened to review any such appeal and will notify the appellant in writing of the results of the appeal.

SOLO APPLICANTS

Project applicants whose project was rejected may appeal the local CoC competition decision to HUD if the project applicant believes it was denied the opportunity to participate in the local CoC planning process in a reasonable manner by submitting a Solo Application in e-snaps directly to HUD prior to the application deadline of 8:00 PM EST on August 26, 2026. See Section VIII.D.3.a in the FY 2026 NOFO for more information.

DENIED OR DECREASED FUNDING BY HUD

Eligible applicants, including project applicants and Collaborative Applicants, that submitted an application to HUD in response to this NOFO, that were either not awarded funds by HUD, or that requested more funds than HUD awarded, may appeal HUD's decision within 45 days after the final funding announcement. HUD will only consider for funding or additional funding applicants the CoC ranked within the CoC's maximum amount available.

Collaborative Applicants that submitted CoC planning, and if applicable, UFA Costs project applications can appeal decreased funding if they can demonstrate HUD decreased the submitted project application's funding request to less than 5 percent of the CoC's FPRN or \$1,250,000; whichever is less. To appeal HUD's decision, the applicant must submit a written appeal to HUD, with a copy to the authorized representative from the CoC's designated

Collaborative Applicant. The written appeal must include evidence demonstrating HUD error and follow the instructions in this section.

The applicant must submit its written appeal by email to snapsappeals@hud.gov, from the organization's email address on the organization's letterhead and signed by the authorized representative—electronic signatures are acceptable.

For more information about denied or decreased funding by HUD please see section VIII.D. in the FY 2026 NOFO.