National Alliance to End Homelessness

FY2025 CoC Program Competition Application Information

Opportunity Name: FY 2025 Continuum of Care Competition and Youth Homeless Demonstration Program Grants NOFO

Application Deadline: January 14, 2026, at 8:00pm EST

These insights are strictly those of the Alliance based on our knowledge and expertise. It should not be read as official HUD guidance on the FY2025 CoC Program NOFO.

FUNDING OVERVIEW

$3.918 billion is available. In addition to the $3.54 billion available through the full year Continuing Resolution, HUD repurposed $100 million originally designated for development of new permanent supportive housing (with Congressional approval) and $294 million of Section 231 funds (recaptured funding).

- This increased amount may be enough to cover the national renewal demand which will now be calculated using the FY2026 Fair Market Rent rates.
- Everything except CoC Planning (or UFA costs) is competitive and must be ranked, including Youth Homelessness Demonstration Program renewals.
- Projects originally awarded under the Special NOFO on Unsheltered and Rural Homelessness that will expire in 2026 are eligible to apply for renewal.
- At least $52 million must be used for new DV Bonus projects, which now may include transitional housing as an eligible project type.

CoCs will continue to rank projects into two tiers. Projects ranked in Tier 1 are only required to meet the project quality and project threshold requirements. They are not subject to the CoC score. Projects ranked in Tier 2 are competitively awarded based on CoC score, as well as subject to project quality/threshold requirements.

- Tier 1 is set at 30% of overall funding (compared to 90% in 2024)
- Tier 2 is set at 70% of overall funding (compared to 10% in 2024)

No more than 30 percent of a CoC's Annual Renewal Demand (ARD) can be used to fund Permanent Housing projects, including PH-PSH, PH-RRH and Joint TH and PH-RRH projects, **forcing CoCs to reallocate the majority of their current programming to other project types.**

Joint Component TH-RRH renewal projects continue to be eligible for renewal funding but are not allowable as a new project type.

TOP 10 NOFO CHANGES

1. **Only 30 percent of a CoC's funding is protected in Tier 1, down from 90 percent in past years.** This is the most significant structural change in a decade. With 70 percent of funding now fully competitive and tied to Merit Review scores and project ranking, even small scoring differences could lead to major funding losses.
2. **Permanent Housing (PSH, RRH, Joint TH–RRH) is capped at 30 percent of ARD.** CoCs must shift funding from existing permanent housing projects that exceed this cap toward new projects that are aligned with the administration's priorities, particularly transitional housing with high service requirements. New Joint TH–RRH projects are no longer eligible.
3. **All projects except for CoC Planning/UFA must compete, including YHDP renewals and DV Bonus.** These projects must be ranked and scored in Tier 2 with no special protections, increasing competition across the entire portfolio.
4. **New prohibitions can disqualify any project.** HUD may reject projects in Tier 1 or 2 for engaging in racial preferences, using a definition of sex "other than binary," or conducting activities viewed as "harm reduction." These provisions create significant new compliance risks.
5. **HUD's new national priority centers on treatment, recovery, and required services.** HUD favors projects with onsite substance use treatment, required service participation, sufficient treatment bed capacity, and 24/7 detox or inpatient access. Required services now boost scoring.
6. **HUD elevates "public safety" as a major scoring factor.** CoCs must show laws prohibiting camping and illicit drug use, enforcement protocols, cooperation with law enforcement, use of involuntary commitment standards, and SORNA implementation. These factors elevate the influence of local criminalization policies.
7. **New project requirements reshape TH, RRH, PSH, and Street Outreach.** New transitional housing must provide 40 hours/week of services; new RRH must show strong employment outcomes and require services; new PSH must serve elderly or physically disabled individuals (not including substance use disorder) with required services; and new street outreach must demonstrate strong law-enforcement partnerships.
8. **Merit Review replaces prior CoC scoring and shifts weighting.** The 130-point system includes 9 points for Project Capacity/Ranking, 40 for System Performance, and 81 for Coordination & Engagement, plus 19 bonus points. Service requirements feature prominently throughout.
9. **Tier 2 scoring now favors projects with required services.** Tier 2 projects receive up to 100 points based on Merit Review scores, local ranking, and up to 10 points for requiring services—giving mandatory-service models a clear advantage.
10. **HUD's expanded Risk Review increases the likelihood of project rejection.** HUD may consider media reports, Inspector General and Government Accountability Office findings, public complaints, or an organization's "history of subsidizing activities that conflict with the NOFO" as grounds for denying funding.

NEW FY2025 POLICY PRIORITIES

- **Ending the crisis of homelessness on our streets.** Citing a California Policy Lab study from 2019, HUD claims that 75% of people experiencing unsheltered homelessness report a substance use disorder (SUD) and 78% report a mental health condition. Therefore, CoCs should direct resources towards outreach, intervention, and assistance consistent with Executive Order on "Ending Crime and Disorder on America's Streets."
- **Prioritizing Treatment and Recovery.** CoCs should prioritize projects that provide treatment and services needed to recover and regain self-sufficiency, including on-site treatment and participation

requirements in services.

- **Advancing Public Safety.** CoCs should cooperate with law enforcement to advance public safety. HUD cited the Supreme Court decision in Grants Pass v. Johnson as upholding the authority of local governments to prohibit public camping.
- **Promoting Self-Sufficiency.** Highlighting that one of the primary purposes of the COC program is to optimize self-sufficiency, HUD indicates that CoCs should prioritize projects that help lead to long-term economic independence for individuals and families. This would allow them to exit homelessness and prevent future returns to homelessness.
- **Improving outcomes.** CoCs should review all eligible projects to determine their effectiveness in reducing homelessness and prioritize those that promote self-sufficiency, increase employment income over government assistance, and promote treatment and recovery.
- **Minimizing trauma.** CoCs should encourage the use of trauma informed care, ensure safety of program participants, and access to 'safe, single-sex spaces' for women.

NEW/UPDATED PROJECT APPLICANT CERTIFICATIONS AND EXPECTATIONS

- Updated **HUD Applicant and Recipient Assurances and Certifications (HUD-424B)** that includes a certification that the applicant will not use federal funding to promote diversity, equity, and inclusion mandates, policies, programs, or activities that violate any applicable federal anti-discrimination laws.
- New **Certification of Need and Compliance with Housing Quality and Habitability Standards** in which the Collaborative Applicant must certify a demonstrated need for all PH projects included in the Renewal Project Listing and that they all comply with program requirements, including HQS or Habitability Standards (whichever is applicable).
- New **Certification for Opportunity Zone Preference Points** if the CoC is requesting up to 4 Opportunity Zone preference points.

RURAL COSTS FOR PROJECTS ORIGINALLY AWARDED UNDER THE RURAL SET ASIDE OF THE SPECIAL COC NOFO

Projects originally awarded under the Rural Set Aside through the Special CoC NOFO are permitted to continue to use funding for purposes allowable through that set aside, including: rent and utility arrears, repairs to make housing habitable, capacity building activities, emergency food and clothing assistance, and costs associated with making use of Federal Inventory property programs.

The costs permitted for rural areas generally (per Section 5707 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (PL 117-263, December 23, 2022, 136 Stat 2395) amended section 423(a) of the McKinney-Vento Homeless Assistance Act) are not appliable for these projects.

NEW PROJECTS CREATED WITH COC BONUS OR THROUGH COC REALLOCATION

CoCs may apply for any of the following project types through the CoC Bonus or CoC Reallocation Process:

- Supportive Services Only (SSO)
- Transitional Housing (TH)
- Permanent Supportive Housing (PSH)
- Rapid Rehousing (RRH)
- Dedicated HMIS
- SSO-Coordinated Entry

Transition grants, which allow an eligible CoC renewal project to transition from one program component to another eligible component over a 1-year period, are permitted this year. If awarded a transition grant, the operating start date of the new grant would be the day after the end of the expiring grant term, similar to a renewal grant. **It is important to note:** The applicant for the transition grant must be the same as the recipient on the current grant agreement for the project being eliminated. If a new applicant were needed for the project, it would simply be a new project and would not qualify as a transition grant.

PROJECT REVIEW

Standard project quality and project threshold criteria apply for new and renewal projects with some key additions:

- Project applicants will be required to affirm that they will (1) not engage in racial preferences or other forms of illegal discrimination and (2) not engage in any activities under the pretext of 'harm reduction'. HUD may also reduce or reject applications in which project applicants have previously or currently engaged in these activities.
- Renewal projects could also be reduced or rejected if there is evidence that the project has previously or currently conducted activities that rely on or otherwise use "a definition of sex other than as binary in humans."
- New projects will be rated using project quality criteria that will assess factors such as the reasonableness of costs and the leveraging of mainstream programs like Medicaid and SSI as well as the following:
    - New transitional housing projects will be required to provide 40 hours of customized services per program participant (except for participants over 62 or with a physical disability/impairment).
    - New Supportive Services Only (SSO) projects for street outreach will be required to demonstrate that the project applicant has a history of partnering with first responders and law enforcement and will cooperate with the enforcement of local laws such as public camping and public drug use.
    - New Permanent Supportive Housing projects must be designed to serve elderly individuals and/or individuals with a physical disability/impairment (not including substance use disorder) and require participation in supportive services.
    - New Rapid Rehousing projects must demonstrate that the project applicant has previously operated a project with higher-than-average outcomes on increasing employment income and will require participation in supportive services.

MERIT REVIEW

Merit Review (previously CoC Scoring Criteria) removes or significantly adjusts previous criteria and adds new criteria, with a total of 130 points available across 3 rating areas: Project Capacity, Review, and Ranking; System Performance; and CoC Coordination and Engagement. In addition, there are 19 bonus points available (15 for CoC Mergers and up to 4 for Policy Initiative Preference Points).

New/Updated Criteria:

- Supportive service participation requirements are considered a part of their local ranking and review process.
- The availability of treatment and recovery services, specifically looking at the extent to which the following is true:
    - On-site substance use treatment is available and participation is required
    - A minimum number of beds based on overall population size available for this purpose
    - There is 24/7 access to detox or inpatient treatment within the CoC geography
    - There are formal partnerships with entities like Certified Community Behavioral Health Clinics
    - Recovery housing is available in the CoC
    - Amount of funding available for supportive services either through leveraging other resources or by using 30% or more of CoC funds for services
- Service participation requirements demonstrated by supportive service agreements across CoC projects (for full points, 100% of projects must have service participation requirements).
- There is a plan in place for sharing PIT, HIC, HMIS, and SPM data with state and local government as permitted by law.
- Street outreach projects partner with first responders and law enforcement to increase housing and service engagement.
- To demonstrate how public safety plays a role in efforts to end homelessness:
    - Cite state or local law(s) that cover the CoC's entire geographic area that prohibit illicit drug use and prohibits public camping or loitering
    - Affirm that there is a protocol in place for enforcement of such laws across entire geographic area of CoC
    - Demonstrated utilization of standards including involuntary commitment for people 'who are a danger to themselves or others'
    - The state substantially implements and is compliant with SORNA
    - The CoC cooperates and assists law enforcement in mapping and checking location of homeless sex offenders and assists or does not interfere with law enforcement response to addressing violators of public camping or drug use laws
- Preference points are available for CoCs that incorporate an Opportunity Zone or that can demonstrate that all non-profit project applicants will voluntarily verify immigration status using SAVE (directly or in coordination with state or local government).

RISK REVIEW

HUD's review of applications has always included an assessment of risk and past performance. In FY2025, this "Risk Review" incorporates the same criteria as in years past (i.e., financial controls, effective management systems, results of audits) but adds two new criteria

- Other public sources such as newspapers, Inspector General or Government Accountability Office reports or findings, or other complaints that have been proven to have merit

- History of subsidizing or facilitating activities that conflict with the purposes of this NOFO

SELECTION PROCESS

HUD makes a point of stating that it may, to the extent allowed by law:

- Fund applications in whole or in part.
- Fund applications at a lower amount than requested.
- Choose to fund no applications under this NOFO.
- Adjust funding for an application, to ensure funding or geographic dispersion, and
- alignment with program or administrative priorities.
- Withdraw an award offer and make an offer of funding to another eligible application, if terms and conditions are not finalized or met.
- Use additional funds made available after NOFO publication to either fully fund an application or fund additional applications.
- Correct HUD review and selection errors. If HUD commits an error that causes an applicant not to be selected, HUD may make an award to that applicant when and if funding is available.
- Release another NOFO, if funding is available and if HUD does not receive applications of merit.

Different from the FY2024/FY2025 NOFO, only CoC Planning (or UFA Cost applications, if appliable) will be conditionally awarded non-competitively. All other project types must be ranked by the CoC. HUD will then select as follows:

- All Tier 1 projects that pass project quality and project eligibility thresholds.
- Then HUD will select projects that meet project quality and project eligibility thresholds in Tier 2 in the order of project score. Each new and renewal project ranked in Tier 2 (including YHDP renewal and DV Bonus) will receive a point value up to 100 points:
    - Up to 50 points in direct proportion to the Merit Review Score
    - Up to 40 points for the CoC's ranking of the project (the higher the ranking in Tier 2, the more points assigned)
    - Up to 10 points for projects that have or will incorporate service participation requirements evidenced in an occupancy agreement (or equivalent document)
- Any permanent housing projects that exceed the 30% ARD cap for the CoC will be removed from the project listing and Tier 2 project scores will be adjusted accordingly.
- If the $52 million minimum for DV Bonus has not been reached after making Tier 2 project selections, HUD will continue down the list to fund additional DV Bonus projects by project-level score until at least $52 million has been selected.

Regarding active litigation: If any part or provision of the grant Agreement or terms of this Notice have been or are enjoined or held to be void or unenforceable by a federal court, they shall be ineffective only to the extent of such court's authority and only as to such prohibition or enjoinment and shall not invalidate or affect the legality or enforceability of the remaining provisions and applications of the Agreement and Notice. In the event the enjoinment of such provisions is stayed, dissolved or reversed, the full terms of the grant agreement and Notice, including such provisions, will automatically become effective.

POST AWARD INFORMATION

Awarded projects will be required to comply with the following new provisions:

- Compliance with Immigration Requirements (8 U.S.C. 1601-1646; Executive Order 14218)
- Equal Participation of Faith-based Organizations in HUD Programs and Activities consistent with 42 U.S.C. 2000bb et seq.; 42 U.S.C. 2000d et seq.; 24 CFR 5.109; and Executive Orders 14202, Eradicating Anti-Christian Bias and EO 14205, Establishment of the White House Faith Office.
- Environmental requirements that apply in accordance with 24 CFR part 50 or part 58
- Unless prohibited by law and to the extent permitted under the Freedom of Information Act (FOIA), your application and post-award content may be released to the public in response to FOIA requests, except to the extent that certain information may be withheld under a FOIA exemption (5 USC § 552(b); 24 CFR 15.107(b)). HUD may also share your information within HUD or with other Federal agencies if HUD determines that sharing is relevant to the respective program's objectives.
- Waste, Fraud, Abuse, and Whistleblower Protections. 41 USC § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a contractor, subcontractor, grantee, subgrantee, and personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. (See Federal Contractor or Grantee Protections | Office of Inspector General, Department of Housing and Urban Development (hudoig.gov))
- Presidential Executive Actions affecting federal financial assistance programs, as advised by the Department, unless otherwise restricted by law: Executive Order (EO) 14219 (Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative); 14218 (Ending Taxpayer Subsidization of Open Borders); guidance resulting from the White House Task Force established by 14202 (Eradicating Anti-Christian Bias) and the Senior Advisor to the White House Faith Office assigned by 14205 (Establishment of the White House Faith Office); 14182 (Enforcing the Hyde Amendment); 14173 (Ending Illegal Discrimination and Restoring Merit-Based Opportunity); 14168 (Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government); 14151 (Ending Radical and Wasteful Government DEI Programs and Preferencing); and 14148 (Initial Rescissions of Harmful Executive Orders and Actions)

In addition, awards made under this NOFO:

- Will not be used to conduct activities that subsidize or facilitate racial preferences or other forms of illegal discrimination, including activities where race or intentional proxies for race will be used as a selection criterion for employment or program participation; or conduct activities that rely on or otherwise use a definition of sex as other than binary in humans.
- Will not be used to fund, promote, encourage, subsidize or facilitate the use of illicit drugs.
- Will not be used to fund any project, service provider, or organization that operates drug injection sites or "safe consumption sites," knowingly distributes drug paraphernalia on or off of property under their control, permits the use or distribution of illicit drugs on property under their control, or conducts any of these activities under the pretext of "harm reduction."

HUD has removed the following items which were included in the FY2024/FY2025 NOFO from the list of requirements:

- Compliance with Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part
- Compliance with the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146

- Compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8
- Compliance with the Americans with Disabilities Act, 42 U.S.C. 12101 et seq
- Compliance with Improving Access to Services for Persons with Limited English Proficiency (LEP) requirements, including those listed within Federal Register Notice, FR-4878-N-02 (also see HUD's webpage)
- Compliance with Equal Access Requirements (e.g., 24 CFR 5.105(a)(2) and 5.106)
- Compliance with Energy Efficient and Sustainable by Design
- Compliance with Eminent Domain
- Compliance with System for Award Management and Universal Identifier Requirements at 2 CFR part 25
- Compliance with section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA),as amended (22 U.S.C. 7104(g)) and implementing regulations at 2 CFR part 175 (Award Term for Trafficking in Persons)
- Compliance with Award Term and Condition for Recipient Integrity and Performance Matters (see Appendix XII to 2 CFR part 200)
- Compliance with Suspension and Debarment regulations (2 CFR part 2424 and 2 CFR part 180)
- Compliance with environmental justice requirements that apply in accordance with Executive Orders 12898 and 14008, and OMB Memorandum M-21-28, which implements the Justice40 Initiative, section 223 of Executive Order 14008
- Compliance with HUD Secretary Fudge's April 12, 2022 memorandum "Eliminating Barriers That May Unnecessarily Prevent Individuals with Criminal Histories from Participation in HUD Programs"