

Mandatory FY26 NOFO Meeting



Racine CoC/Alliance



Agenda

- Welcome – Sign in Chat for attendance
- CoC Program
- HUD CoC FY26 NOFO
 - Legal Challenges
 - What You Need to Know
- New FY2026 National Priorities for HUD
- Factors Impacting Likelihood of Project Rejection
- Solo Applications
- Eligible Program Components
- FY2026 Funding Available for Racine CoC
- Racine CoC Funding Priorities
- CoC Grant Cycle
- What's Next



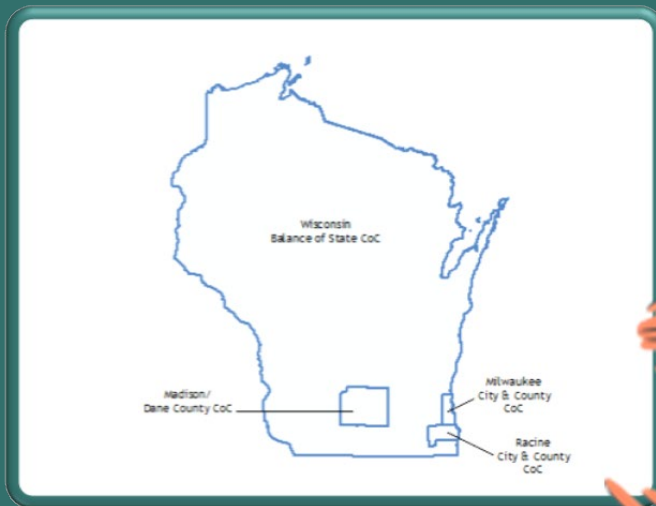


The way to get started is to quit talking and begin doing.

Walt Disney



The CoC Program is designed to



- ☐ End Homelessness
- ☐ Quickly re-house individuals and families experiencing homelessness
- ☐ Promote access to mainstream programs
- ☐ Optimize self-sufficiency





HUD Continuum of Care FY26 NOFO

Planning & Process



Legal Challenges & Other Issues NOFO

- FY25 NOFO Lawsuits challenge HUD Lost!
- FY26 Lawsuits filed In July NAEH & States – including WI
<https://www.courtlistener.com/docket/73568402/national-alliance-to-end-homelessness-v-united-states-department-of/>
- Aug 10, 2026, Decision on request for preliminary relief expected
- No application available in e-Snaps
- CoC Builds and new YHDP applications are in e-Snaps but lots of issues
- HUD slow to respond to FAQs (frequently asked questions)
- Local competition will have very short timelines because of no applications are available

What You Need to Know

- Tier 1 limited to 60% of ARD (Annual Renewal Demand)
- CoCs may establish preferences for elderly individuals and families
- Awards must be made by HUD by December 1, 2026
- Effective October 1, 2026, housing leased with CoC funding, or for which rental assistance payments are made, will be required to meet the National Standards for the Physical Inspection of Real Estate (NSPIRE).
- Transitional Housing is an eligible project type for the DV Bonus

What You Need to Know (con't)

- **Changes to CoC Bonus Amounts.** There are significant changes to CoC Bonus amounts for which CoCs are eligible to apply. The NOFO states that CoCs may use up to 15 percent of their Final Pro Rata Need (FPRN) to create one or more new projects. Minimum of \$500,000
- **Priority for New TH and SSO Projects.** This NOFO provides a set-aside of \$1.3 billion for new projects in Tier 2. There are no limits or caps on any eligible project component types (new or renewal). However, HUD will prioritize applications for new TH and SSO projects.
- **Renewals are Deprioritized.** HUD has established a \$1.3 billion set-aside for new projects in Tier 2. As a result, renewal projects in Tier 2, regardless of rank or component type, are unlikely to be awarded.

What You Need to Know (con't)

Set-Aside for Families with Children. HUD will award at least \$430 million in permanent housing for families with children starting with projects ranked in Tier 1.

Expanded Eligibility for PSH. PSH projects that are not dedicated to chronically homeless households or designated as [DedicatedPLUS](#) may serve people with disabilities who meet Category 2 of the homeless definition in addition to Categories 1 and 4.

Reinterpretation of “self-sufficiency”. Previous definition of “self-sufficiency” was the ability to live independently and maintain housing with or without assistance. HUD’s recent interpretation is to mean “the ability to meet basic needs, including a place to live, without public or private assistance.”

New FY2026 National Priorities for HUD

HUD's new national priorities center on treatment, service participation requirements, civil commitment, and public safety. Merit criteria provide significant points for CoCs that prioritize both voluntary and involuntary treatment.

Factors Impacting Likelihood of Project Rejection

- HUD has expanded what can be considered in its risk review of applicants to include information from public sources like news reports and new subjective criteria such as the ability to promote self-sufficiency. It has also, for the first time, made the results of the risk review alone a valid reason for adverse funding decisions.
- In addition to the results of the threshold criteria, merit review, and the risk review, HUD may also consider additional factors that provide HUD broad authority to reject otherwise qualified projects for subjective reasons such as the “likelihood that the proposed project will result in the benefits expected.”

Solo Applications

There has always been a process for eligible project applicants that attempted to participate in their CoC planning process and believe they were denied the right to participate in a reasonable manner (Solo Applicant Appeal).

Eligible Program Components



FY2026 PROJECT TYPES HUD IS FUNDING

- * TH
 - PH-PSH
 - PH-RRH
 - HMIS
 - * Supportive Services Only - Standalone
 - * Supportive Services Only - Street Outreach
 - Supportive Services Only - Coordinated Entry
- * These are new project types implemented from HUD for FY2026

FY26 Funding Available For Racine CoC

Funding available for Racine CoC is \$1,138,685.00 based on our estimated annual renewal demand (ARD). HUD has designated 60% of that for TIER 1

- ❑ \$683,211.00 for Tier 1 projects
- ❑ \$455,474.00 for Tier 2 projects
- ❑ \$500,00.00 Minimum for CoC bonus funding Tier 2
- ❑ DV bonus funding, Tier 2, however unclear whether separate amount or included in CoC bonus funding.

RACINE COC FUNDING PRIORITIES

CATEGORY	FUNDING PRIORITY POSITION
CHRONIC HOMELESSNESS	FIRST
AGING 55+	SECOND
FAMILIES WITH CHILDREN	THIRD
DOMESTIC VIOLENCE	FOURTH
YOUTH (as defined by HUD 18-24ys OLD)	FIFTH
VETERANS	SIXTH
GENDER IDENTITY/EXPRESSION	SEVENTH
APPROVED BY LEADERSHIP COUNCIL 8/15/2023	

- CHRONIC HOMELESS is the highest priority selected by the Racine CoC Leadership Council (8/15/2023)
- CHRONIC HOMELESS is an eligibility criteria for any PSH projects.
- PSH is always ranked above Rapid Rehousing because Chronic Homelessness (CH) is an eligibility criterion
- RRH may serve CH but it not an eligibility criterion for these projects.

CoC Grant Cycle: Related Records

Project Application

- Documents submitted to the CoC and to HUD pertaining to the application for funding

Grant Renewal

- Documents submitted to the CoC and HUD pertaining to the application for renewal funding

Project Operation

- Program policies and procedures and all necessary records to verify participant and cost eligibility

Conditional Awards

- Communication for HUD related to conditional awarding of funds and any information submitted to HUD to satisfy the condition (information is submitted in eSNAPS)

CoC Grant Agreement

- Fully-executed document (signed by HUD and recipient)
- If applicable, any Grant Agreement Amendments should be maintained with Grant Agreement documents



Discussion:

CoC Policy Proposal for Advancing Recovery by Prohibiting Illicit Drug Enablement

The Continuum of Care for the City & County of Racine prohibits CoC-funded housing projects from:

- Operating drug injection sites or “safe consumption sites”; or
- Knowingly permitting the use or distribution of illicit drugs on property under their control.

If a CoC-funded housing project is determined to be in violation of the above, either during monitoring or through complaints, they will be provided with training and technical assistance to comply with the policy. For repeated violations, the CoC-funded housing project may be recommended for reallocation in the next funding process.

The Continuum of Care for the City & County of Racine believes that program participants should be connected to resources that will help them meet their goals. Staff within CoC-funded housing projects will be aware of and make referrals to local substance use disorder treatment and recovery housing options, as appropriate.

Next Steps

- Follow-up meeting next Wednesday
- Updates from HUD regarding Application release in e-snaps
- Local application for new projects
- Timeline



Thank you
