



Homebase

ADVANCING SOLUTIONS TO HOMELESSNESS

6/23/2026

System Planning- 2026 NOFO
Integrating New Program Types and
Transition Grants

Agenda

System Planning

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- 2026 NOFO Information

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- Transitional Housing

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- Supportive Services Only

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- Supportive Services Only-
Street Outreach

05

- Transition Grants

2026 NOFO Information

Tier 1

- 60% of the community's ARD
- Tier 1 projects will be awarded presuming they are eligible and meet the threshold requirements

Tier 2

- 40% of the community's ARD
- Bonus Opportunity:
 - 15% of the community's Final Pro-Rata Need (ARD)
 - No less than \$500,000 and no more than \$5,000,000
- DV Bonus Opportunity:
 - 20% of the community's Preliminary Pro-rata Need
 - No less than \$50,000 and no more than \$5,000,000

Comparisons to Prior Years

Tier 1 is smaller this year, equal to 60% of the CoC's ARD. Tier 1 was 90% in 2024 and 93% of ARD in 2023.

CoC Bonus amounts for new projects are higher, equal to 15% of the Final Pro Rata Need (FPRN), up from 12% in 2024 and 7% in 2023. **There is a minimum of \$500,000 and a maximum of \$5,000,000 for most CoCs.**

DV Bonus amounts for new projects are higher, equal to 20% of the Preliminary Pro Rata Need (PPRN) (up from 15% in 2024).

NOFO provides a set-aside of **\$1,300,000,000** (32% of total funding) for new projects with a priority for Transitional Housing and Supportive Service Only projects. This set-aside was not part of prior NOFOs.

2026 NOFO: Things to Consider

There is no cap on permanent housing for new projects or renewals

HUD is incentivizing the creation of transitional housing and supportive services only projects by setting aside **\$1.3 Billion for the new project types** (32.5% of the funding)

HUD is incentivizing new projects and renewals that serve families with children by setting aside \$430 Million (10.75% of the funding)

Eligible New Projects That Can Be Created Through Bonus or Reallocation

SSO projects.

TH projects.

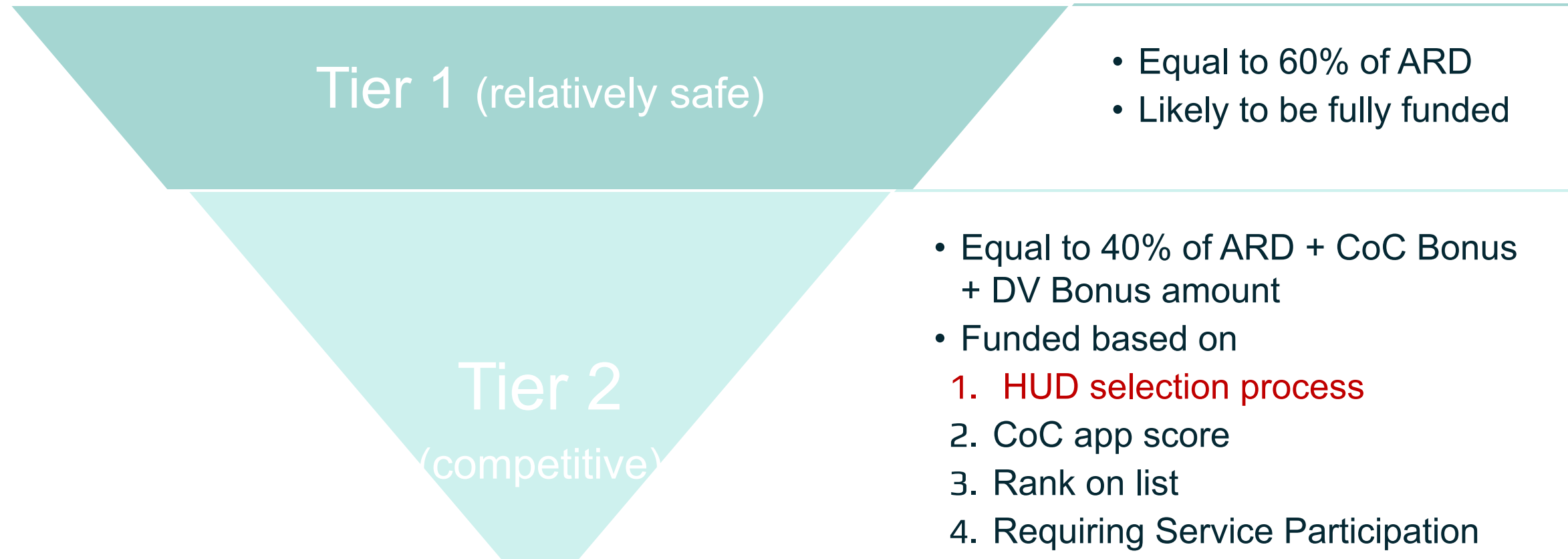
PH-PSH projects.

PH-RRH projects.

Dedicated HMIS
projects

SSO-CE projects to
develop or operate a
Coordinated Entry
system.

Priority Listing Tiers



NOFO Selection Process

HUD will select projects in this sequence:



2026 NOFO: Incentivized Projects

CoC gets points overall for the following projects on the Priority Listing:

1. 30% of projects have substance use treatment on-site
2. Projects that have significant portion of funding for supportive services (50% total budget or 30% CoC funds)
3. Service participation requirements
4. Projects with 50% of activities in an Opportunity Zone
5. At least one project that operates sober housing
6. At least one TH or RRH project that primarily or exclusively serves families with children
7. At least one project (or CoC partnership) providing specialized supportive services for participants with a high level of medical needs
8. At least one project (or CoC partnership) serving aging and elderly individuals (residential care, assisted living, or medical respite services)
9. At least one RRH or PSH project that prioritizes chronically homeless (CH) participants

2026 NOFO: Other Notable Changes

DV Bonus projects will be awarded using standard selection process, not a separate competition process

Projects will need to **certify that they are compliant with the Executive Orders**

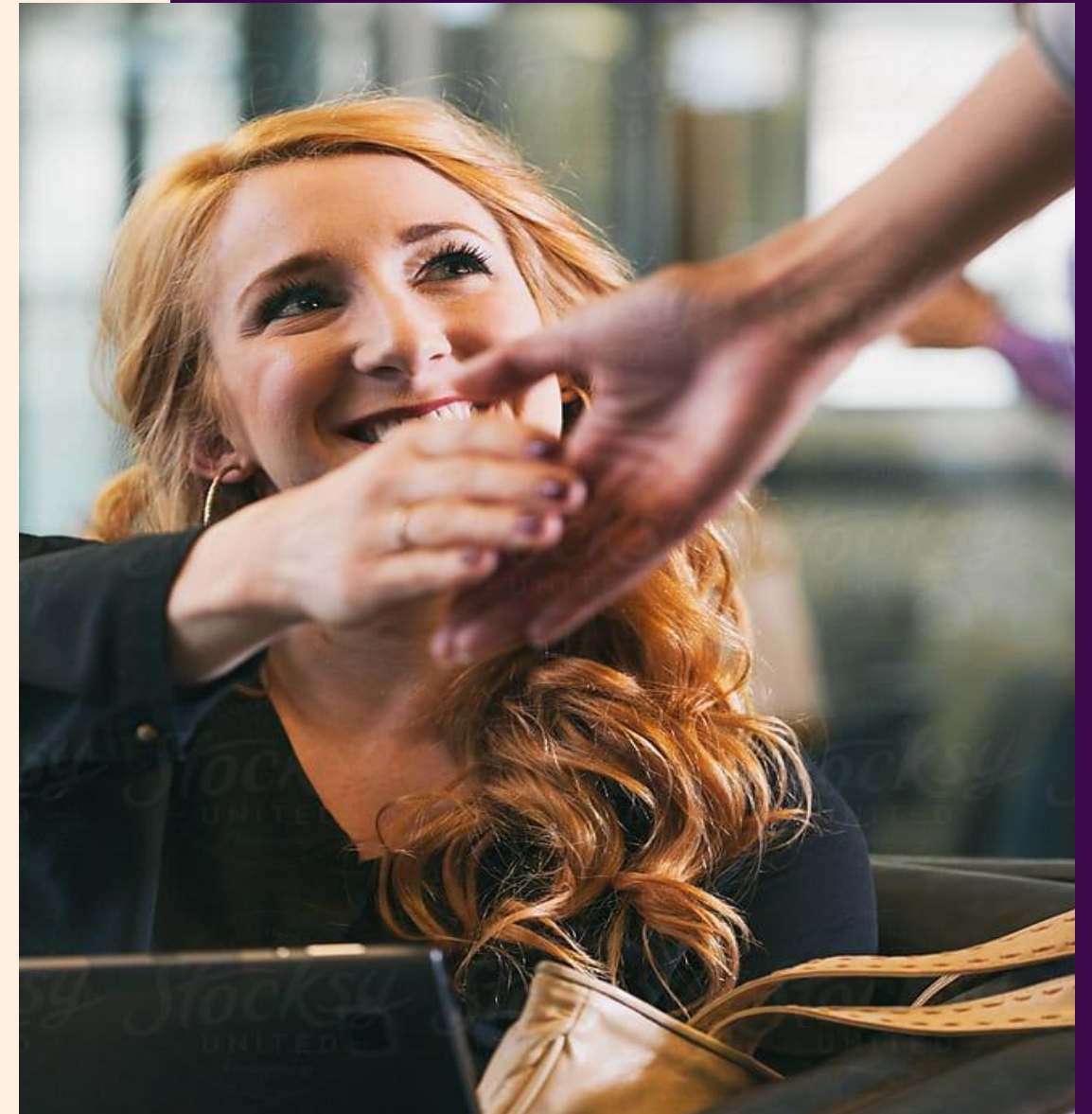
Added language regarding **verification of past performance** for renewal projects.

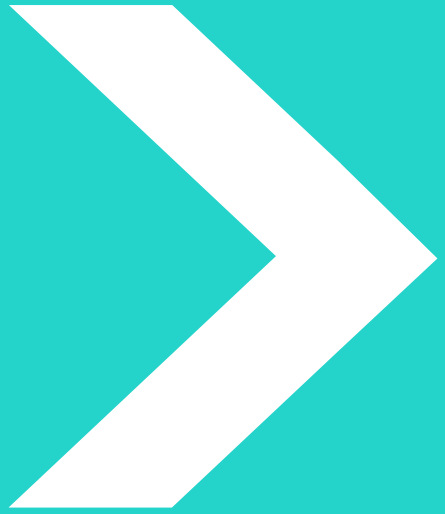
Review & Rank Changes You Might Make

Confirm	Confirm that your factors reflect HUD's policies of self-sufficiency, recovery, and public safety
Design	Design Tier 2 strategy to be competitive nationally
Consider	Consider if adding points for incentivized project types will support your community
Make	Make sure to apply for all the money

Integrating New Program Types Into the System

- Is there a gap in the system that could be filled with new program types that are incentivized?
- What NEW projects may work in the system that could be considered for Tier 2 or Bonus opportunities?





Questions or Comments about the 2026 NOFO Highlights

Transitional Housing



Transitional Housing

Time Limited Housing to Prepare Participants for Self Sufficiency

Services may be on-site or arranged in the community and may include connections to workforce development, employment, education, healthcare, behavioral healthcare, legal services, budgeting, childcare, parenting resources, and/ or other possibilities based on the participants' individualized services plan.

Individualized service plans should be co-created with participants, designed to meet the specific needs of the families and individuals served, and should be part of an addendum to the occupancy agreement

Residents of Transitional Housing under the CoC program may come from homelessness, incarceration, rehabilitation centers, mental health institutional care, foster care, or other settings, as long as they meet the definition of homelessness in Category 1,2,or 4.

Transitional Housing Eligible Activities

New Construction,
Acquisition, and/ or
Rehabilitation of a
Building to provide TH

Leasing of a Building

Leasing Scattered Site
Units

Operating Costs (not
eligible with rental
assistance)

Rental Assistance: must
be administered by a
PHA or unit of
government

HMIS

Project Administration

Supportive Services

Things to Consider

A nonprofit cannot administer tenant based rental assistance in transitional housing

If a nonprofit organization wants to provide tenant based rental assistance, they will need to partner with a PHA or unit of government by contract or a subrecipient arrangement

Generally, nonprofits will provide transitional housing using the leasing line to pay rents in either scattered site units or in a single site

If applicants own the property used to provide transitional housing, they would be able to use the operating line item to cover operational expenses

Leasing- What Makes it Different

No match requirement for the leasing component

Can pair leasing with operating costs

The lease is between the property owner and the grantee organization

The participant sub-leases the unit from the grantee organization with a sub-lease or an occupancy agreement

There are environmental review considerations if participants do not choose their own units

Rents can be paid even if the unit is vacant

Some organizations have expressed concerns about liability as the lease-holder

Operating Costs

Maintenance
& Repairs

Taxes &
Insurance

Building
Security

Utilities

Furniture

Equipment

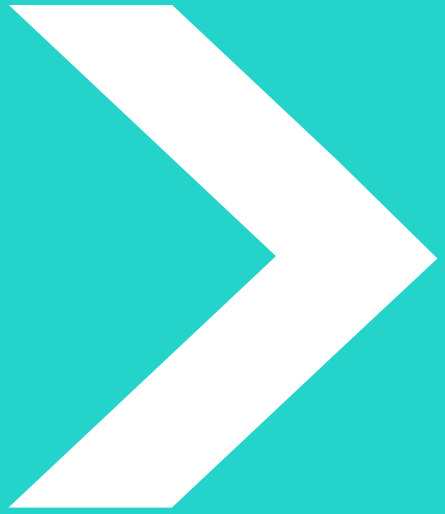
Service Requirements

Services should be tailored to the needs and choices of the participants

Services should be documented in an individualized services plan (ISP) that becomes part of the participant's case file

If a program requires sobriety, there should be connections to recovery services and the program should include relapse care to ensure the stability of the participants

There should be an addendum to the occupancy agreement between the participant and the grantee organization that indicates the participant's commitment to engage in the services identified in the ISP



Questions or Comments about Transitional Housing

Supportive Services Only



Supportive Services Only (SSO)

Supportive Services Only (SSO) projects can create a wide variety of programs to assist people who are experiencing homelessness



The SSO project cannot be utilized in a specific permanent housing program; however, services may be provided for 6 months after a participant moves into housing

SSO Eligible Activities

Acquisition,
Rehabilitation, or
Leasing of a space to
provide supportive
services

HMIS

Project Administration

Supportive Services

Eligible Supportive Services

Annual Assessment
of Services (§
578.53(e)(1))

Moving costs (§
578.53(e)(2))

Case management
(§ 578.53(e)(3))

Childcare (§
578.53(e)(4))

Education services
(§ 578.53(e)(5))

Employment
assistance and job
training (§
578.53(e)(6))

Street Outreach
and Problem
Solving

Additional Eligible Supportive Services

Food (§
578.53(e)(7))

Housing search and
counseling services
(§ 578.53(e)(8))

Legal services (§
578.53(e)(9))

Life skills training (§
578.53(e)(10))

Mental health
services (§
578.53(e)(11))

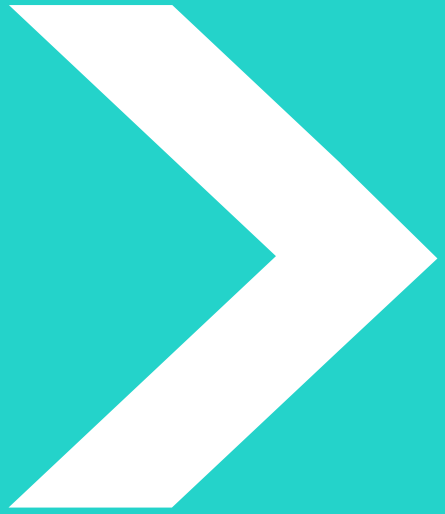
Outpatient health
services (§
578.53(e)(12))

Outreach services
(§ 578.53(e)(13))

Substance abuse
treatment services
(§ 578.53(e)(14))

Transportation (§
578.53(e)(15))

Utility deposits (§
578.53(e)(16))



Questions or Comments about Supportive Services Only Projects

SSO- Street Outreach

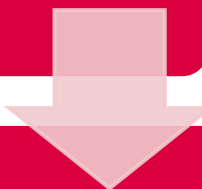


Supportive Services- Street Outreach (SSO-SO)

An SSO-SO is an opportunity to create a new program type in your system or expand existing street outreach activities



The goal of an SSO-SO program is to engage with people experiencing unsheltered homelessness and link them to housing or shelter options coupled with supportive services to meet their unique needs



An SSO-SO incorporates rapid resolution and problem solving to move people to solutions as soon as possible

Program Partnerships- Consider Interdisciplinary Outreach as a Bridge to Mainstream Resources

Homelessness Response System

Affordable Housing Providers

Community Mental Health (PATH Program)

Substance Use Counselors, Peer Support

Workforce Development

Primary Health Care- Street Medicine, Federally Qualified Health Center, Healthcare for the Homeless program personnel

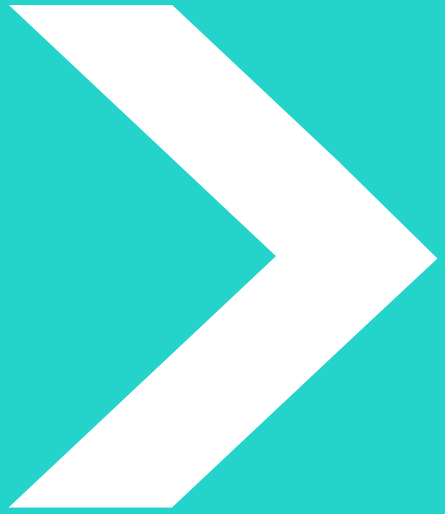
Working With Law Enforcement in Street Outreach

The applicant for an SSO-SO project should demonstrate that they have 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.

Considerations





Questions or Comments about SSO-Street Outreach Projects

Transition Grants



Transition Grants in Brief

A Transition grant “**wholly eliminate[s] one or more projects and use those funds to create the single, new transition grant**”

Transition is from one program component to another eligible component **over a 1-year period**

Up to half the budget can be used for the prior grant’s activities

To be a Transition Grant, the new project applicant must be the recipient listed on the current grant agreement

HUD determines a new project submitted as a transition grant does not qualify, but meets all other new project requirements, HUD may award the project as a new non- transition grant project.

New vs Transition Grant

New Grant

Start Date

- After HUD contracting --Fall/Winter 2027?

Flexibility of Design

- What's allowed in this NOFO

Paperwork Burden

- Pretty high— ramp down and close out renewal grant, and start up of new grant (ER, HQS, policies, etc.)

Continuity

- Program Participants- not who you serve now
- May be a funding gap (may impact staffing)

Transition Grant

Start Date

- Day after renewal grant ends

Flexibility of Design

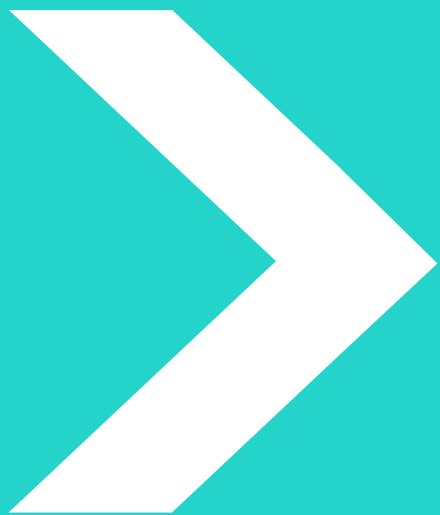
- What's allowed in this NOFO
- One year to transition to new activities
- Can spend up to half of the budget on prior grant activities

Paperwork Burden

- More streamlined

Continuity

- Have time to find new placements for current participants
- If same staff for new program, no gaps in work



Questions or Comments about Transition Grants

Questions and discussion

