

July 01, 2026

## HUD Notice of Funding Opportunity (NOFO)

### For FY 2026 Continuum of Care Funds Sonoma County Request for Proposals (RFP)

On June 01, 2026, the U.S. Department of Housing and Urban Development (HUD) issued the Continuum of Care (CoC) Notice of Funding Opportunity (NOFO) for 2026 Continuum of Care Funds.

Applicants are eligible to compete for a combined total of approximately \$4.9 million in renewal FY 2026 Continuum of Care (CoC) project funding. CoC Bonus funding amounts have not yet been released by HUD.

A significant change in the FY 2026 CoC Competition is the creation of substantial Tier 2 funding priorities and set-asides for certain project types. While HUD has not established a formal cap on Permanent Housing (PH) projects, the FY 2026 NOFO strongly prioritizes new Transitional Housing (TH) and Supportive Services Only (SSO) projects within Tier 2, creating a significant competitive disadvantage for renewal PH projects.

To maximize the likelihood of retaining existing Annual Renewal Demand (ARD) funding, the Sonoma County Homeless Coalition will not intentionally place renewal Permanent Housing projects into Tier 2. Instead, Tier 2 will be reserved for eligible new projects and transition projects that align with HUD's FY 2026 funding priorities, as described later in this RFP.

#### **Project Application Due Date: July 21, 2026 by 5 pm**

The following funds will be for NEW projects:

- CoC Bonus funding is competitively available for one or more permanent Transitional Housing (TH) and Supportive Services Only projects (SSO). Funding amount TBD.
- Domestic Violence (DV) bonus funding is competitively available for one or more projects serving victims of domestic violence; may only be used to create new SSO-Coordinated Entry (SSO Standalone is not eligible), and TH projects. Funding amount TBD.
- Reallocated funding from renewal projects; this will be limited to SSO and TH. Funding amount TBD.

Organizations new to the Continuum of Care Program, including faith-based organizations, are strongly encouraged to apply. Anyone applying for a new project application is required to consult with the CoC Coordinator prior to submission to confirm project eligibility.

#### **Notice of Upcoming Addendum and Additional Materials**

HUD has not yet released final information regarding the amount of CoC Bonus funding available under the FY 2026 CoC Program Competition. Staff are also finalizing the amount of funding that may be available through reallocation. Once this information becomes available, it will be distributed through an addendum to this RFP.

In addition, the FY 2026 scoring tools and supplemental application questionnaires are currently being finalized and are expected to be released during the week following this announcement.

To sign up to receive notices from our office, please use the following link:

[https://public.govdelivery.com/accounts/CASONOMA/subscriber/new?topic\\_id=CASONOMA\\_406](https://public.govdelivery.com/accounts/CASONOMA/subscriber/new?topic_id=CASONOMA_406)

Local application guidance for both new and renewal projects is attached to this Request for Proposals (RFP). Prospective applicants should review the Continuum of Care NOFO in full at:

<https://www.grants.gov/search-results-detail/361999>

All HUD CoC Competition materials are located on their website using the following link:

<https://www.hud.gov/hud-partners/community-coc>

Please also review the provisions of this local RFP in full, and note the local and final deadlines as follows:

Mandatory Bidders conference for all Projects (virtual meeting, login information included in Attachment 1) 10- 11:30am	July 07, 2026
Technical Assistance Session: e-snaps and applications (In-person meeting, meeting location included in Attachment 1) 1-3pm	July 13, 2026
Open Office Hours – (Drop in Assistance, virtual meeting, login information included in Attachment 1) 10-12 pm	July 17, 2026
Local Submission for project applicants in e-snaps and supplemental scoring materials via email (submit by 5 pm)	July 21, 2026, by 5 pm
Homeless Coalition Board Approval of Final Priority Listing	August 7, 2026
Notice to providers on accepted, rejected or reduced projects by the CoC	August 11, 2026
Finals Submission by CoC (5:00 PM PST)	August 26, 2026
HUD Award Announcement	December 1, 2026

**New CoC Program Organizations:** If you intend to apply as a new organization, you must register with SAM.gov as soon as possible to receive a Unique Entity Identifier (UEI) number. You will need the UEI number to create an account in e-snaps. This **step takes several weeks to process**. You will not be allowed to login to the grant application system without this so please plan accordingly.

<https://sam.gov/>

**Matching Requirements:** All projects funded through the CoC Program are required to provide a 25% match commitment of the total award minus any funds for leasing activities. Match can either be provided through in-kind or cash commitment. For more information on the requirements, please see the HUD CoC Virtual Binders: <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-match/match-requirements/>

HUD has made significant changes to this year’s CoC Program Competition. As a result, certain requirements may continue to be clarified through HUD’s published FAQs, Application Detailed

Instructions, Notices, and Q&A updates. The CoC reserves the right to issue addenda to this RFP if additional guidance becomes available. Applicants are responsible for reviewing all addenda, the CoC NOFO, HUD's Application Detailed Instructions, and ensuring their proposals reflect the most current information.

All information regarding the local 2026 Competition will be posted as made available on our website using the following link: <https://sonomacounty.gov/health-and-human-services/health-services/divisions/homelessness-services/resources/continuum-of-care-competition>

For further information contact:

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and Jynessa Lazzaroni, Community Development Program Specialist: 707-565-7067 or [Jynessa.Lazzaroni@sonomacounty.gov](mailto:Jynessa.Lazzaroni@sonomacounty.gov)

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## Submission Timeline and Local Deadlines

The Sonoma County Continuum of Care (CoC) Competition is conducted through HUD's electronic application system, e-snaps, with all applications submitted as part of a single consolidated application by the Collaborative Applicant, the County of Sonoma Department of Health Services.

**Renewal Applicants:** Submit project application(s) in e-snaps by **July 21, 2026, at 5:00 PM.**

**New Applicants:** Submit the Supplemental Application Questionnaire, required attachments, and project application(s) in e-snaps by **July 21, 2026, at 5:00 PM.**

Applicants are strongly encouraged to submit applications before the deadline to avoid potential e-snaps system delays.

Between **July 22 and August 7, 2026**, CoC staff will review submitted applications and work with applicants to address technical corrections prior to final submission to HUD.

New project applications will be evaluated by the CoC Competition Evaluation Workgroup, with final recommendations forwarded to the Homeless Coalition Board. Renewal projects have already been evaluated. The **Homeless Coalition Board** will approve the Final Priority Listing, including project rankings and funding recommendations, at a **special meeting on August 7, 2026.**

Final scores and funding decisions will be provided to applicants and posted on the Homeless Coalition website no later than **August 11, 2026.**

The local CoC Collaborative Application must be finalized and submitted to HUD on or before **August 26, 2026.** Additional deadlines are outlined in the 2026 Continuum of Care Application Detailed Timeline (Attachment 1).

Under the Consolidated Appropriations Act of 2026, Congress mandated that the U.S. Department of Housing and Urban Development (HUD) must announce and deliver its FY 2026 Continuum of Care (CoC) funding awards by December 1, 2026. This deadline was established by the House and Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations committees to ensure timely funding distribution. If awards are not announced through HUD by this required deadline, this may impact any new projects from being awarded.

## HUD's Goals and Objectives

**Improving Outcomes.** HUD is prioritizing projects that demonstrate measurable reductions in homelessness, promote self-sufficiency and recovery, increase employment and income, and support long-term housing stability. The FY 2026 NOFO also encourages CoCs to strategically use reallocation,

expansion, and transition grants to improve system performance and address unsheltered homelessness.

**Promoting Competition, Innovation, and Accountability.** The FY 2026 NOFO increases the role of competition in the CoC Program by reducing Tier 1 funding from 90 percent to 60 percent of Annual Renewal Demand (ARD). HUD intends for this increased competition to encourage innovation, accountability, and ongoing evaluation of project effectiveness, while directing funding toward projects and communities that demonstrate strong outcomes in reducing homelessness and promoting self-sufficiency.

**Restoring Balance to the Continuum of Care.** HUD's FY 2026 NOFO places increased emphasis on developing a balanced continuum of housing and service interventions. Nationally, HUD has identified a need for greater investment in Transitional Housing (TH) and Supportive Services Only (SSO) projects and has established funding priorities to encourage these project types. As a result, communities with heavily concentrated Permanent Housing portfolios may wish to evaluate opportunities to diversify project types and better align with HUD's evolving funding priorities.

**Prioritizing Treatment and Recovery.** The FY 2026 NOFO emphasizes treatment, recovery, and service participation as key strategies for reducing homelessness and increasing self-sufficiency. HUD encourages investment in projects that provide robust supportive services, behavioral health treatment, recovery-oriented programming, and partnerships with healthcare and treatment providers. These priorities are reflected throughout the NOFO, including increased support for Transitional Housing (TH) and Supportive Services Only (SSO) project models designed to help participants achieve long-term housing stability and independence.

**Promoting Economic Self-Sufficiency.** The FY 2026 NOFO places increased emphasis on helping program participants achieve economic self-sufficiency through employment, income growth, and long-term housing stability. HUD encourages CoCs and project applicants to strengthen partnerships with workforce development programs, employers, educational institutions, childcare providers, and other supportive service systems that can help participants increase earned income and reduce barriers to employment. The NOFO also supports the use of individualized supportive service participation agreements, consistent with 24 CFR 578.75(h), to help participants achieve their housing, employment, and self-sufficiency goals.

**Advancing Public Safety for All.** The FY 2026 NOFO emphasizes the importance of improving public safety and reducing the harms associated with unsheltered homelessness and encampments. HUD encourages CoCs to work collaboratively with local governments, first responders, law enforcement, healthcare providers, and community partners to connect individuals to housing, treatment, and supportive services while promoting safe and healthy communities. Particular emphasis is placed on reducing unsheltered homelessness, addressing barriers to housing stability, and protecting vulnerable populations from victimization and exploitation.

**Minimizing Trauma for Vulnerable Populations.** HUD encourages CoCs and project applicants to reduce the trauma associated with homelessness through trauma-informed care, participant safety, and

housing stability. Particular emphasis is placed on serving vulnerable populations, including youth and survivors of domestic violence, dating violence, sexual assault, and stalking.

**Expanding Access Based on Merit.** The FY 2026 NOFO emphasizes equal opportunity for applicants, service providers, and program participants. HUD encourages participation from a diverse range of qualified providers, including faith-based organizations, and seeks to ensure that funding decisions are based on project merit, performance, and effectiveness in addressing homelessness. Through increased competition and broader provider participation, HUD aims to expand access to housing and services for individuals and families experiencing homelessness.

## HUD New Project Priorities

**Supportive Service Participation Agreement.** For new projects funded through the CoC, HUD is no longer supporting the Housing First Model and is investing in projects that will require services. Supportive Service participation agreements require program participants to take part in supportive services (e.g. case management, employment training, substance use disorder treatment) in line with [24 CFR 578.75\(h\)](#). The agreement may be in a contract, occupancy agreement, lease, or equivalent.

An example of a supportive service participation requirement is a requirement that participants meet with a case manager at least once a month. This is an existing requirement of Rapid Rehousing projects. [24 CFR 578.37\(a\)\(1\)\(ii\)\(F\)](#).

**Treatment and Recovery Focus.** While the NOFO incentivizes treatment and recovery housing, this certification is not a requirement that program participants must be sober in order to receive assistance, participate in treatment to receive assistance, or be evicted or exited from assistance for a first-time violation of a drug-related program policy or lease requirement. These requirements remain optional under 24 CFR 578.93(b)(5), 24 CFR 578.75(h).

**Subpopulation Preferences.** HUD encourages CoCs to target resources toward populations that may face barriers to accessing housing and services. New project applications proposing to serve families, transitional-aged youth, or older adults will receive additional bonus points in the local competition. All subpopulation preferences must be implemented in compliance with applicable federal fair housing, civil rights, and nondiscrimination requirements.

## New Application Submission Local Restrictions

As there are several new priorities included in the 2026 NOFO, including a shift from permanent housing models, the Homeless Coalition will only be accepting new project applications for the following components: Transitional Housing, Supportive Services Only- Standalone, Supportive Services Only- Street Outreach and Supportive Services Only- Coordinated Entry for Domestic Violence Bonus.

**Eligible Applicants:** State governments, County Governments, City or Township governments, faith based organizations, Special district governments, Public and State controlled institutions of higher education, Native American tribal governments (Federally recognized), Public housing authorities/Indian housing authorities, Native American tribal organizations (other than Federally recognized tribal

governments), and Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education.

## HUD Threshold Criteria

All project applications must meet Project Eligibility Threshold criteria (see pages 59-62 of NOFO).

New projects are required to meet Project Quality Threshold criteria by project type (see pages 62-68 of NOFO).

## Tiered Submission (Tier 1 and Tier 2)

The Sonoma County Homeless Coalition, representing the CoC, is responsible for prioritizing projects and placing all submitted projects into one of two tiers. Projects placed in Tier 1 will be funded first, from HUD's 2026 allocation of \$4.04 billion. Projects placed in Tier 1 are likely guaranteed funding, assuming they pass quality threshold and eligibility review by HUD.

HUD requires CoC's to rank all renewal and new project applications into two funding tiers as part of the annual CoC Competition. The FY 2026 CoC Program NOFO significantly changes the national funding process by reducing Tier 1 protections from 90 percent of Annual Renewal Demand (ARD) in prior competitions to 60 percent of ARD, resulting in a substantially larger portion of CoC funding being exposed to national competition.

**Tier 1** is equal to 60 percent of the CoC's ARD. Projects placed in Tier 1 are conditionally selected based on the CoC's overall application score and the project's ranking on the CoC Priority Listing, provided the project meets all HUD threshold and eligibility requirements. Any eligible renewal or new project may be placed in Tier 1 based on the CoC's local review, ranking process, and identified community needs.

**Tier 2** consists of all funding above the Tier 1 amount, including renewal, reallocated, CoC Bonus, and DV Bonus projects. Projects placed in Tier 2 are funded on a nationally competitive basis and are subject to HUD's project selection process and available funding.

For FY 2026, HUD will score Tier 2 projects using a 100-point scale consisting of:

- **CoC Score (50 points):** Based on Sonoma County CoC's overall consolidated application score.
- **Project Ranking (40 points):** Based on the project's position on the CoC Priority Listing.
- **Service Participation (10 points):** Awarded to projects that incorporate supportive service participation requirements based on individual need. HMIS and SSO projects automatically receive the full 10 points in this category.

In addition to project score, HUD has established funding set-asides and selection priorities that influence the order in which Tier 2 projects are selected for funding. After funding eligible Tier 1 projects, HUD will determine whether national funding targets for Domestic Violence (DV) Bonus projects and Permanent Housing projects serving families with children have been achieved. If those targets have not been met, HUD will select additional eligible projects from Tier 2 until the applicable

funding targets are reached. HUD will then prioritize new TH and SSO projects through a \$1.3 billion national Tier 2 set-aside before considering most remaining Tier 2 projects.

Given these changes, the Sonoma County CoC has determined that the most effective strategy for preserving existing funding and maximizing the community's competitiveness in the national competition is to prioritize renewal Permanent Supportive Housing (PSH), HMIS, and Coordinated Entry (SSO-CE) projects within Tier 1 to the greatest extent possible. Funding remaining outside of Tier 1 will be prioritized for projects that align with HUD's FY 2026 national funding priorities, including competitive TH and SSO projects, either through new project applications, transition grants, or reallocation opportunities.

This approach is intended to maximize the likelihood of retaining Sonoma County's ARD while positioning the CoC to compete successfully under HUD's revised FY 2026 funding framework.

New CoC Bonus Project Funding	\$ TBD
New Domestic Violence (DV) Bonus Funding	\$ TBD
Annual Renewal Demand (ARD)	\$ 4,888,106
Anticipated Tier 1 funding (ARD 60%)	\$ 2,932,863
Reallocated Permanent Housing Renewal Funds (projects TBD)	\$ TBD
Anticipated ARD at Risk (in Tier 2, ARD Minus 40%)	\$ 1,955,242
Continuum of Care Planning Grant	\$ 207,734
Total Possible CoC Award (including CoC Planning Grant and bonus funding)	\$ TBD

Sonoma County may place one or more projects either fully or partially into Tier 2. However, if the project straddling tier 1 and 2 is a PSH renewal project, this puts the portion of funding in tier 2 at great risk of not being funded with the new HUD priorities. The approved process for making such decisions in 2026 is located within this RFP, **Attachment 4- Sonoma County Homeless Coalition – Process for Making Cuts: FY 2026.**

At the time of publication, staff are still working on confirming the total amount of reallocated funding available. This will be announced through an addendum to this RFP once HUD has announced Bonus funding..

Historically, the Sonoma County CoC has prioritized HMIS and SSO-CE projects within Tier 1 to ensure the continued operation of HUD-required system infrastructure. Given the critical role these projects play in supporting the CoC's coordinated homelessness response system, the Homeless Coalition Board has approved the continued placement of HMIS and SSO-CE projects in Tier 1 for the FY 2026 competition, despite the reduction in Tier 1 funding availability.

## Reallocation

HUD's reallocation process allows CoC's to create new projects by reducing or eliminating funding from existing CoC-funded projects and redirecting those funds to new project applications. Reallocation may occur voluntarily at the request of a project recipient or through a decision of the Homeless Coalition Board based on local priorities, system needs, project performance, or project competitiveness within the national funding process.

In preparation for the FY 2026 CoC Competition, all renewal project recipients completed a Renewal/Reallocation Questionnaire and participated in discussions with CoC staff regarding their intent to renew, voluntarily reallocate funding, and/or pursue a Transition Grant. Through this process, one recipient has indicated their willingness to voluntarily reallocate a portion of their funding, no projects have been identified as willing or able to transition at the time of RFP release.

Due to the significant changes in the FY 2026 CoC Program NOFO, including the reduction of Tier 1 protections and HUD's increased emphasis on TH and SSO projects, additional reallocation may be necessary to maximize the competitiveness of Sonoma County's CoC application and preserve the community's ARD.

At the time of this RFP's release, final reallocation determinations have not been made. In addition to projects that have voluntarily reallocated funding, the Homeless Coalition Board may identify additional projects for partial or full reallocation through the local competition process. Factors that may be considered include project performance, utilization, alignment with HUD priorities, local system needs, transition opportunities, and the CoC's overall funding strategy.

HUD awards points to CoCs that demonstrate a history of strategic reallocation. To receive full points in the NOFO scoring process for reallocation, CoC's are scored on whether they have reallocated at least 20 percent of its ARD during funding competitions between 2021 and 2026. However, despite whether or not this has been met by CoC's, projects placed in Tier 2 remain subject to national competition and are not guaranteed funding.

Final project rankings and placements within Tier 1 and Tier 2 will be determined through the FY 2026 local competition process and approved by the Homeless Coalition Board.

## New Bonus Projects and New Transition Projects Created through Reallocation

Available funding for the 2026 CoC Competition will be made available as an addendum to this RFP once released from HUD. . New project applications will be evaluated through the local competition process and ranked on the CoC Priority Listing in accordance with HUD requirements and local funding priorities.

Due to the significant changes in the FY 2026 CoC Program NOFO, including the reduction of Tier 1 protections, the expansion of nationally competitive Tier 2 funding, and HUD's established funding priorities for certain project types, the Sonoma County CoC is prioritizing the development of projects that are most competitive within HUD's national review process.

As a result, the CoC **will not accept applications for new Permanent Housing projects** through this funding opportunity. Given HUD's FY 2026 project selection methodology and the CoC's strategy to preserve existing Permanent Supportive Housing resources within its ARD, new Permanent Housing projects are not anticipated to be competitive for funding relative to other eligible project types.

The CoC strongly encourages applications for new TH and SSO projects, which align with HUD's FY 2026 national funding priorities and are anticipated to be more competitive within Tier 2. Projects created through Transition Grants that convert existing Permanent Supportive Housing resources to eligible Transitional Housing models are also encouraged.

To preserve existing housing capacity while maximizing national competitiveness, projects transitioning from Permanent Supportive Housing through HUD's Transition Grant process may receive priority consideration during the local ranking process.

## New Eligible Project Components – Reallocation, CoC Bonus and DV Bonus Funding

### Sources of Funds

**Domestic Violence (DV) Bonus Funding:** TH and SSO- Coordinated Entry. Population to be served are 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 that are defined as homeless under 24 CFR 578.3 or section 103(b) of the McKinney-Vento Homeless Assistance Act.

**Reallocation and CoC Bonus:** TH, SSO- Street Outreach, and SSO- Standalone.

### Eligible Components

**Transitional Housing (TH):** HUD is seeking new TH projects that provide, or partner to provide, the supportive services necessary to help participants obtain and maintain permanent housing. Applicants should demonstrate experience operating transitional housing or similar programs that help individuals and families exit homelessness within 24 months and should show a track record—or plan—to ensure that at least 50 percent of participants exit to a positive housing destination and at least 50 percent exit with employment income, as documented in HMIS or another comparable data system. Projects should leverage additional public or private resources, including mainstream programs such as Medicaid, Medicare, SSI, SNAP, and workforce development services. Applicants must demonstrate that participants will engage in individualized services, activities, education, training, volunteering, employment, or other recovery-oriented activities averaging at least 20 hours per week, except for participants age 62 or older or individuals with qualifying disabilities. Projects should utilize individualized service plans that support housing stability, improved health and wellness, increased income, and long-term self-sufficiency.

**Supportive Services Only (SSO)-Street Outreach:** HUD is seeking new street outreach projects that can meet the following expectations. Projects should be able to supplement their activities with additional public or private resources, including mainstream health, social service, and employment programs such

as Medicaid, Medicare, SSI, and SNAP. HUD is looking for outreach models that provide strong, individualized supportive services to people with histories of unsheltered homelessness, including those who are traditionally hard to engage. Applicants should demonstrate a history of effective collaboration with first responders and law enforcement to help individuals living in places not meant for human habitation access shelter, treatment, family reunification, transitional housing, or independent living, while also cooperating with local law enforcement in the enforcement of applicable laws. Applicants must also show experience delivering outreach services consistent with 24 CFR 578.53(e)(13) and a track record of successfully helping people transition from unsheltered locations into appropriate housing or services.

**SSO Standalone:** The project provides essential supportive services to help participants exit homelessness and increase self-sufficiency. The recipient will complete annual assessments to ensure services continue to meet participant needs. The project includes a clear strategy for engaging all eligible participants, including individuals with histories of unsheltered homelessness and those who are traditionally hard to engage in services. The project will also leverage additional public and private resources, including mainstream programs such as Medicare, Medicaid, SSI, SNAP, and other community supports. This component type is not permitted to provide services to individuals who have been housed, rather in unsheltered or sheltered situations (e.g., street outreach, day centers, emergency shelter).

**SSO- CE:** DV Bonus funding is available for new SSO-CE projects that improve the Coordinated Entry System's ability to serve individuals and families who are experiencing trauma or a lack of safety related to, or who are fleeing or attempting to flee, domestic violence, dating violence, sexual assault, or stalking. Projects should demonstrate how they will improve access to Coordinated Entry for survivors, utilize a standardized assessment process, implement outreach strategies designed to reach households with the highest needs, and ensure participants are connected to appropriate housing and services that support safety, stability, and housing outcomes. The Coordinated Entry System must be accessible and available throughout the CoC geographic area, including for people with disabilities. Applicants should demonstrate experience serving survivors of domestic violence and operating coordinated entry, victim service, housing, or related programs. Consistent with HUD requirements, the CoC may submit only one new SSO-CE DV Bonus project application as part of the FY 2026 CoC Competition.

For more information regarding HUD CoC Program Project Components, please refer to [24 CFR 578.37](#).

HUD CoC Program Supportive Services Only (SSO) or Housing Project tool:

<https://files.hudexchange.info/resources/documents/coc-program-sso-housing-component-decision-tool.pdf>

## New Transition Grants

A Transition Grant allows an agency to convert an existing eligible CoC renewal project into a different eligible project type through the reallocation process. **This conversion happens over one year, and the original renewal project must be fully eliminated.** After the one-year transition period, the project can only apply for renewal under its new component type. Only current CoC Program recipients can apply

for a transition. Any agency that will be applying for a transition grant must contact the CoC Collaborative ahead of the application submission date.

### Eligibility and Timing

- Renewal grants that expire in Calendar Year 2027 may apply for a FY 2026 Transition Grant to change their component type.
- The new grant will start the day after the current grant ends.
- If the transition combines more than one grant, the start date will follow the earliest ending grant.

### CoC Required Approval

- Applicants must have their Continuum of Care's approval. Project acceptance on the priority list is considered approval of the CoC.
- The new project must meet HUD's eligibility and quality thresholds.

### Special Considerations

HUD has released guidance for CoCs for PH projects that plan on transitioning. This information can be found using the following link: <https://www.hud.gov/sites/default/files/CPD/documents/CoC/PH-to-TH-guidance.pdf>

### CoC Program Eligible Activities

Eligible activities of the CoC Program for consideration when creating your project budget can be found on the HUD Virtual Binders webpage. For a detailed list, please reference the Code of Federal Regulation associated with each activity: <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/coc-eligible-activities-overview/>

### Administrative Expenses

In this funding cycle, both new and renewal project applicants may claim up to 10% of the CoC project budget, for administrative expenses.

### VAWA Budget Line Item

New projects can include these costs in their proposed budgets; existing projects can add them by expanding or reallocating up to 10% of funds from one eligible activity to the VAWA costs line item. Activities related to emergency transfers and VAWA confidentiality compliance are eligible. VAWA costs are not subject to CoC's administrative cost caps (see NOFO pages 52-53).

Funds can be utilized in the following ways:

Emergency Transfer Costs: moving costs; travel costs; security deposits; utilities; housing fees (application, broker, etc.); case management; housing navigation; and safety technology (e.g., security systems).

VAWA Confidentiality Compliance Costs: monitoring and evaluating compliance; developing corrective actions; program evaluation; training on confidentiality; reporting on compliance; protecting survivor information; and staff time for adherence.

## Mandatory Bidder's Conference

A **Mandatory Bidder's Conference for New Projects** will be held virtually on **Tuesday, July 7, 2026, from 10:00 – 11:30 am**. The Bidder's Conference will address Continuum of Care funding regulations, changes in HUD priorities, tier 2 priorities, transition grants, and options for using available funds.

Virtual meeting login information is located on **Attachment 1 – 2026 Continuum of Care Application Detailed Timeline**, and will be posted on our website using the following link:

<https://sonomacounty.gov/health-and-human-services/health-services/divisions/homelessness-services/resources/continuum-of-care-competition>

## Local E-snaps Submission Deadline (New and Renewal Projects)

All projects approved for submission—new bonus and reallocation projects, and all renewal projects—must be **submitted in e-Snaps by 5 p.m., Tuesday, July 21, 2026**.

If you are brand new to e-snaps, please ensure you have registered for a new account, and register your organization using the assigned UEI number. **This should be completed prior to the technical assistance session.** Please see the e-snaps help page "Getting started in e-snaps."

<https://www.hudexchange.info/programs/e-snaps/>

## Materials to Be Submitted to the Homeless Coalition (New Projects)

In addition to the e-snaps submission, new and renewal agencies must submit the following documents:

- Applicant's most recent fiscal audit, with accompanying management letter.
- Supplemental Application Questionnaire
- 2026 Project Eligibility Threshold Criteria
- 2026 Project Quality Threshold Criteria (by project type)
- Project Application- e-snaps submission

**Please submit the above materials** to the CoC Coordinator **by 5:00 pm July 21, 2026**, by email to [Karissa.white@sonomacounty.gov](mailto:Karissa.white@sonomacounty.gov) and the Community Development Specialist [Jynessa.Lazzaroni@sonomacounty.gov](mailto:Jynessa.Lazzaroni@sonomacounty.gov).

Applicants may deliver required electronic documents on a flash drive, by the same deadline to Sonoma County Continuum of Care, c/o Sonoma County Department of Health Services, 1450 Neotomas Ave, STE 200, Santa Rosa CA 95405, Attention: Jynessa Lazzaroni.

**Note, electronic submission is highly preferred.**

## New Project Scoring

The scoring schema is organized into the following areas (total points: 100):

- HUD's System Performance Measures and Use of Objective Scoring Criteria
- Use of the Coordinated Entry System
- Incorporation of individuals with lived experience of homelessness
- Project Narrative/Design
- Mainstream benefits and other assistance
- Commitment to Supportive Services Requirements
- Self Sufficiency
- Treatment and Recovery Services
- Project Readiness, Budget, Cost Effectiveness, and Financial Health
- Organizational Capacity & Experience
- HMIS Data Quality and Timeliness
- Bonus Points: Subpopulation Preferences: Families, Elderly, and Transitional Age Youth

This schema is designed to maximize the chances of Tier 2 funding for bonus, transition and renewal projects being awarded. **Only new projects are required to complete and submit the Supplemental Application Questionnaire which addresses key scoring criteria. Please note, this is a supplemental document, and all projects must still complete the project application in the e-snaps system.**

## Renewal Project Scoring

Renewal project scoring was conducted by the CoC Competition Evaluation Workgroup prior to the release of the 2026 NOFO. Project scores were approved by the Homeless Coalition Board in May of 2026.

## New and Renewal Project Rating and Ranking

New project applications will be scored by the CoC Competition Evaluation Workgroup. New and renewal projects will then be ranked on a proposed CoC Priority Listing and presented to the Homeless Coalition Board. The Homeless Coalition Board retains final authority over the approval of the Priority Listing, including the ranking and placement of all new and renewal project applications submitted to HUD.

Final project priorities will be announced through the Sonoma County Homeless Coalition Listserv and posted on website: <https://sonomacounty.gov/health-and-human-services/health-services/divisions/homelessness-services/continuum-of-care/continuum-of-care-competition>

Letters will be sent to all project applicants by **August 11, 2026**, to communicate whether projects are accepted, reduced, or rejected and their priority placement. Please note, if the new project is accepted by the Homeless Coalition this does not mean that it is approved for funding. HUD has the ultimate authority when reviewing and determining which projects are funded.

The FY 2026 Transportation, Housing, and Urban Development (THUD) Appropriations Act mandates that the Department of Housing and Urban Development (HUD) must announce the final Fiscal Year 2026 Continuum of Care (CoC) program awards no later than December 1, 2026. If awards have not been announced, then active awards from 2026-2027 could be automatically renewed, meaning no new projects will be awarded as we saw in the 2025 CoC Competition process.

## Appeals

Due to the technical review, rating and ranking process, and the limited timeframe available between local project selection and HUD's application submission deadline, the Homeless Coalition Board's approval of the Sonoma County CoC Priority Listing shall be considered final for purposes of the local competition.

Consistent with HUD regulations, an eligible applicant that believes it was not permitted to participate in the CoC planning process in a reasonable manner may submit a Solo Applicant Project Application directly to HUD. Solo Applicant applications must be submitted through e-snaps by HUD's application deadline of **August 26, 2026, at 8:00 p.m. Eastern Time**, and must comply with all requirements outlined in the FY 2026 CoC Program NOFO and 24 CFR 578.35. Applicants considering a Solo Applicant appeal are strongly encouraged to review the NOFO carefully, as additional notice, documentation, and procedural requirements apply (see FY 2026 CoC Program NOFO, Section VIII.D. Debriefing and Appeals, page 116).

If HUD determines that an applicant was not provided a reasonable opportunity to participate in the local CoC planning process, HUD may award funding directly to the Solo Applicant and may require the Sonoma County Homeless Coalition to take corrective actions to ensure reasonable participation in future competitions. HUD may also reduce funding awarded through the Sonoma County Consolidated CoC Application as provided under applicable federal regulations.

## Technical Assistance Session and Office Hours- New and Renewal Project Applicants

### Technical Assistance Session

**An in-person Technical Assistance Session covering e-snaps** navigation, project applications, and required attachments will be held on **July 13, 2026, from 1:00–3:00 p.m.** at the Sonoma County Department of Health Services. Applicants are encouraged to bring a laptop and have access to their e-snaps account during the session.

New applicants should create an e-snaps user account and register their organization prior to the session. Organizations must obtain a Unique Entity Identifier (UEI) through SAM.gov before creating an organizational profile in e-snaps, as this process can take several weeks.

Meeting details are provided in **Attachment 1 – FY 2026 Continuum of Care Application Detailed Timeline**. The session is open to all applicants; however, participation is optional for those already

familiar with e-snaps. Applicants should ensure they can access their e-snaps account before the session to avoid login issues.

#### HUD Resources:

Checklist to Get Started in e-snaps: <https://files.hudexchange.info/resources/documents/Checklist-to-Get-Started-in-e-snaps.pdf>

e-snaps 101 Toolkit: <https://www.hudexchange.info/resource/6170/esnaps-101-toolkit/>

e-snaps Program Information: <https://www.hudexchange.info/programs/e-snaps/>

Experienced applicants are encouraged to assist newer applicants throughout the local competition process.

#### Drop-in Office Hours

CoC staff will also be holding optional drop-in Office Hours to assist with any questions or issues with the e-snaps system. **Office hours will be held virtually on July 17<sup>th</sup> from 10am- 12pm.** The link to the virtual meeting login information is located in Attachment 1. **However, if there are any technical issues at any point between the Technical Assistance session and open office hours, please contact staff as soon as possible to help resolve any issues.**

The published meetings may be the only times staff can provide assistance prior to technical corrections, and it is strongly recommended that those preparing applications attend.

If applicants attend the TA sessions and are still experiencing difficulties, they should contact the Continuum of Care Coordinator, Karissa White, for additional assistance at [Karissa.white@sonomacounty.gov](mailto:Karissa.white@sonomacounty.gov) or by phone at 707-565-4080. Please ensure that the Community Development Specialist, Jynessa Lazzaroni, is also copied in communications to ensure your questions are answered as soon as possible at [Jynessa.Lazzaroni@sonomacounty.gov](mailto:Jynessa.Lazzaroni@sonomacounty.gov) .

#### Questions

Questions may be directed to the Continuum of Care Coordinator, Karissa White, at [Karissa.white@sonomacounty.gov](mailto:Karissa.white@sonomacounty.gov) or by phone at 707-565-4080 and the Community Development Specialist, Jynessa Lazzaroni, at [Jynessa.Lazzaroni@sonomacounty.gov](mailto:Jynessa.Lazzaroni@sonomacounty.gov) . **Note, including both emails will expedite a response from staff.**

#### Recommended Steps

Potential applicants are urged to take the following steps as soon as possible:

1. **Code of Conduct.** All applicants, recipients, and subrecipients must have a code of conduct. The code of conduct must comply with the requirements included in the "Conducting Business in Accordance with Ethical Standards", as well as any program-specific requirements. These requirements include ethical standards related to conflicts of interest for procurements in [2 CFR 200.318\(c\)](#) and [2 CFR 200.317](#), as well as HUD-specific conflict of interest standards. HUD maintains a list of organizations that have previously submitted written standards of conduct on

its [Code of Conduct for HUD Grant Programs webpage](#). But it is the applicant's responsibility to ensure that the standards are compliant with the noted requirements and that HUD has the latest version of the written standards. Updated written standards should be submitted with the application. Any updates to your written standards, after the application period, should be submitted as directed by the HUD program contact for this NOFO.

2. Register with the federal government's System for Award Management (SAM) at and Obtain Sam.gov registration and a UEI number: Applicants must provide a valid UEI number to gain access to the application. <https://sam.gov/>
3. To receive up to date information about the 2026 Continuum of Care NOFO, join a listserv at [www.hudexchange.info/maillinglist/](http://www.hudexchange.info/maillinglist/) .
4. All local communications about the competition will be posted on the Lead Agency's website at: <https://sonomacounty.gov/health-and-human-services/health-services/divisions/homelessness-services/resources/continuum-of-care-competition>
5. Set up an individual user profile on the e-snaps electronic application site: <https://esnaps.hud.gov/grantium/frontOffice.jsf>
  - a. Instructions to create a profile in e-snaps: <https://files.hudexchange.info/resources/documents/Create-an-e-snaps-User-Profile.pdf>
6. **New CoC Organizations Registering:** Once you have obtained a UEI number and registered with SAM.gov, set your organization up on the e-snaps site on the Applicants tab. This is comparable to the SF-424 cover sheet submitted with every other federal grant; step-by-step instructions will be posted on HUDs website: <https://www.hud.gov/hud-partners/community-coc>  
Instructions to access your profile: <https://www.hud.gov/sites/dfiles/CPD/documents/CoC/FY25-CoC-Project-Applicant-Profile-eSNAPs-Navigational-Guide.pdf>

## Resources

HUD CoC Competition website: <https://www.hud.gov/hud-partners/community-coc>

*Note- HUD is expected to post application guidance and instructional materials on its website, including separate resources for renewal project applications and new project applications. Detailed instruction guides provide information on how to answer application questions and explain HUD's expectations, while navigational guides offer step-by-step instructions for completing and submitting applications in e-snaps.*

*If these resources are not available prior to the local application technical assistance session, CoC staff will provide applicants with navigational guidance based on the most recent available competition materials.*

The federal 2026 Continuum of Care NOFO is available at: <https://www.grants.gov/search-results-detail/361999>

The Continuum of Care Program Interim Rule can be found at: <https://www.hudexchange.info/resource/2033/hearth-coc-program-interim-rule/>

E-snaps, the online submission system, can be accessed at:

<https://esnaps.hud.gov/grantium/frontOffice.jsf>

A series of useful tutorials on the e-snaps electronic submission system are at:

<https://www.hudexchange.info/programs/e-snaps/>

CoC Program Toolkit - Introduction to the CoC Program:

<https://www.hudexchange.info/programs/coc/toolkit/>

Sonoma County Homeless Coalition Local CoC Competition Page:

<https://sonomacounty.gov/health-and-human-services/health-services/divisions/homelessness-services/resources/continuum-of-care-competition>

HUD's CoC Virtual Binders: [https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=aa5cc12e9b-](https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=aa5cc12e9b-)

[New CoC ESG Binders HUDX 6 16 21&utm\\_medium=email&utm\\_term=0\\_f32b935a5f-aa5cc12e9b-19343217](https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=aa5cc12e9b-New+CoC+ESG+Binders+HUDX+6+16+21&utm_medium=email&utm_term=0_f32b935a5f-aa5cc12e9b-19343217)

## Attachment 1- 2026 Continuum of Care Application Detailed Timeline

Date	Action
June 1	NOFO for FY 2026 Funds Released
July 1	Local Request for Proposals issued, including new funding availability and Renewal/Reallocation forms.
July 7	<p><b>MANDATORY Bidder’s Conference for ALL Projects- virtual</b>            10:00am -11:30am, Virtual Zoom meeting, login information listed            Join Zoom            Meeting:<a href="https://sonomacounty.zoom.us/j/89477805345?pwd=CIE1Ike8ZfQ0ljDyIjJS2hbPlfMHBg.1">https://sonomacounty.zoom.us/j/89477805345?pwd=CIE1Ike8ZfQ0ljDyIjJS2hbPlfMHBg.1</a></p> <p>Meeting ID: 894 7780 5345            Passcode: 289764</p>
July 13	<p><b>Technical Assistance Session for Applicants: Introduction to e-Snaps and Applications in e-Snaps review (in person, please bring your laptops if you would like assistance walking through opening your application)</b>            Location:            Sonoma County Department of Health Services – Santa Rosa Room (second floor)            1450 Neotomas Ave., Santa Rosa, CA 95405</p> <p>Monday, July 13th from 1-3 pm.</p> <p><i>This is a collaborative application. Those with e-snaps experience are expected to assist newer applicants. New applicants should obtain a UEI number and SAM registration prior to the session if possible. Your organization must have an active System for Award Management (SAM) registration to create an organization profile in e-snaps. <a href="https://sam.gov/content/home">https://sam.gov/content/home</a></i></p>
July 17	<p><b>2026 CoC Competition Open Office Hours (optional- drop-in session)</b>            10am- 12 pm, Virtual Zoom meeting, login information listed below            Join Zoom Meeting:  <a href="https://sonomacounty.zoom.us/j/81994312922?pwd=HfsTaAbPKH2kx2Fvic0Cp3Xf1xzw6m.1">https://sonomacounty.zoom.us/j/81994312922?pwd=HfsTaAbPKH2kx2Fvic0Cp3Xf1xzw6m.1</a></p> <p>Meeting ID: 819 9431 2922            Passcode: 700811            Dial by your location: +1 669 444 9171 US</p>
July 21	<b>New and Renewal Project Application(s) and Supplemental Questionnaire due in e-Snaps, 5:00pm</b>
July 30	Sonoma County 2026 CoC Competition Evaluation Workgroup Review of New Project Applications
August 7	Homeless Coalition Board Approval of New Projects and Ranking and Ratings
August 11	Publication of new project selections and Priority Listings ( <i>earlier if possible</i> ) on the Sonoma County Continuum of Care Competition website at: <a href="https://sonomacounty.ca.gov/health-and-human-services/health-">https://sonomacounty.ca.gov/health-and-human-services/health-</a>

	<a href="https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/continuum-of-care/continuum-of-care-competition">services/divisions/homelessness-services/continuum-of-care/continuum-of-care-competition</a>
<b>August 11</b>	Notice of new and renewal project acceptance, reduction, or rejection to applicants.
<b>July 22- August 7<sup>th</sup></b>	Technical review/corrections, e-snaps priority ranking & Consolidated Plan certifications
<b>August 24</b>	Public Posting of full Consolidated Application <a href="https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/continuum-of-care/continuum-of-care-competition">https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/continuum-of-care/continuum-of-care-competition</a>
<b>August 26</b>	Collaborative Applicant: Final Submission of CoC Application and Priority Listing Due in e-snaps (5:00 PM)

## Attachment 2- Renewal Projects Budgets

<u>Agency</u>	<u>Project</u>	<u>Project Type</u>	<u>Total Award</u>
Sonoma County Community Development Commission	Renewal Rental Assistance - Persons with HIV/AIDS	PSH	\$896,506.00
Community Support Network	Stony Point Commons	PSH	\$77,528.00
Committee on the Shelterless (COTS)	Community Based Permanent Supportive Housing	PSH	\$397,532.00
West County Community Services	Mill Street Supportive Services	PSH	\$131,922
Catholic Charities of the Diocese of Santa Rosa	Catholic Charities Permanent Supportive Housing Santa Rosa 2	PSH	\$938,902.00
Community Support Network	CSN Sponsor-Based Rental Assistance	PSH	\$402,072.00
County of Sonoma	Homeless Management Information System (HMIS) Expansion	HMIS	\$371,463.00
County of Sonoma	Coordinated Intake Expansion Project	SSO/CES	\$623,735.00
Society of St. Vincent de Paul Sonoma County	St. Vincent de Paul Commons PSH	PSH	\$363,621.00
West County Community Services	Elderberry Commons	PSH	\$329,138.00
County of Sonoma	CoC Planning Project Application	Planning	\$207,734.00

## Attachment 3- What's New in FY 2026 Competition

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For full details on all changes in the FY 2026 CoC Competition, please review the full federal NOFO and the detailed instructional guides listed on the HUD website. These changes will be reviewed at the Technical Assistance sessions on July 13<sup>th</sup> and 17<sup>th</sup>. HUD has not yet released the New, Changes and Highlights for the Competition document. Additional information will be provided as an addendum to this RFP as more HUD guidance is released.

Competition Guide Resource Page: <https://www.hud.gov/hud-partners/community-coc>

HUD Frequently Asked Changes:

<https://www.hud.gov/sites/default/files/CPD/documents/CoC/Continuum-of-Care-FAQ.pdf>

HUD 2026 CoC NOFO Factsheet: <https://www.hud.gov/sites/dfiles/CPD/documents/CoC/2026-CoC-NOFO-Factsheet.pdf>

### Top 10 NOFO Changes

1. **Only 60 percent of a CoC's funding is protected in Tier 1, down from 90 percent in past years.** With 60 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. **Changes to CoC Bonus Funding.** The FY 2026 NOFO introduces a new approach to calculating CoC Bonus funding. Although CoCs remain eligible to apply for up to 15 percent of their Final Pro Rata Need (FPRN) for new projects, HUD has implemented minimum and maximum bonus funding thresholds based on CoC type. These changes may significantly affect the amount of bonus funding available to individual CoCs and are anticipated to influence funding competitiveness and distribution nationwide.
3. **Renewal Permanent Housing (PSH & RRH).** Although HUD has not imposed a formal cap on Permanent Housing projects, the FY 2026 NOFO establishes a \$1.3 billion set-aside for new Transitional Housing (TH) and Supportive Services Only (SSO) projects, as well as additional funding priorities for other project types. As a result, renewal projects in Tier 2, regardless of rank or component type, are unlikely to be awarded.
4. **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.
5. **Revised Interpretation of Self-Sufficiency.** One of the longstanding purposes of the CoC Program is to promote self-sufficiency among individuals and families experiencing homelessness. Historically, self-sufficiency has generally been understood as the ability to obtain and maintain stable housing, with or without ongoing assistance. The FY 2026 NOFO reflects a broader interpretation, defining self-sufficiency as the ability to meet basic needs, including housing, without reliance on public or private assistance. This revised interpretation may have implications for how HUD evaluates project outcomes and participant success.
6. **New prohibitions can disqualify any project.** HUD may reject applicants in Tier 1 or 2 for engaging in racial preferences or conducting activities viewed as "harm reduction." These provisions create significant new compliance risks.
7. **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.

8. **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.
9. **Merit Review replaces prior CoC scoring and shifts weighting.** The 200-point system includes 14 points for Project Capacity/Ranking, 64 for System Performance, and 122 for Coordination & Engagement, plus 20 bonus points.
10. **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.
11. **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.
12. **Housing with shared kitchen and bathroom facilities.** Effective October 1, 2026, HUD intends to align HUD’s housing quality standards (HQS) with the national housing quality standards (NSPIRE) noting changes to the requirements for bathrooms and kitchens in all HUD funded units including Single Room Occupancy (SRO) units.

#### HUD Project Review

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

1. 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.
2. 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:
  - a. New transitional housing projects will be required to provide 20 hours of customized services per program participant (except for participants over 62 or with a physical disability/impairment).
  - b. 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.

#### Risk Review

As part of the FY 2026 CoC Competition, HUD will conduct a risk review of all applicants, including renewal projects, prior to making funding awards. The purpose of the review is to assess an applicant's likelihood of successfully implementing and managing the proposed project.

HUD may consider factors including past performance managing federal awards, compliance with reporting and grant requirements, audit findings, financial and organizational capacity, staffing and

management systems, use of matching and leveraged resources, and compliance with applicable laws and regulations.

New in FY 2026, HUD has expanded its review criteria to include information from public sources, such as news reports, Office of Inspector General findings, Government Accountability Office reports, and complaints that HUD determines have a reasonable basis. Applicants should be aware that organizational actions and publicly reported concerns may be considered as part of HUD's overall risk assessment.

HUD may also evaluate an applicant's history of achieving program outcomes, promoting self-sufficiency and economic independence, compliance with civil rights requirements, and any history of activities that HUD determines conflict with the goals and priorities outlined in the FY 2026 CoC Program NOFO.

HUD may use the results of the risk review as a basis for imposing special conditions on an award, reducing the amount of funding awarded, or denying funding altogether. Applicants are encouraged to review the FY 2026 CoC Program NOFO for complete risk review requirements and evaluation criteria (see page 86 of the NOFO).

#### 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.

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."

## Attachment 4- Homeless Coalition Reallocation- Process for Making Cuts FY26

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To create funding opportunities for new projects and align the Sonoma County Homeless Coalition's project portfolio with HUD's FY 2026 funding priorities, the Homeless Coalition will utilize both voluntary and involuntary reallocation during the FY 2026 CoC Competition.

The FY 2026 competition differs significantly from prior years. Due to HUD's revised Tier 2 funding structure and funding set-asides for certain project types, renewal Permanent Housing (PH) projects, Supportive Services Only- Coordinated Entry, and HMIS funding placed into Tier 2 are unlikely to be competitive for funding. As a result, substantial reallocation may be necessary to preserve as much of the Homeless Coalition's Annual Renewal Demand (ARD) as possible while creating opportunities for Transitional Housing (TH) and Supportive Services Only (SSO) projects that align with HUD's national funding priorities.

### **1. Voluntary Reallocation and Transition Requests**

Prior to the release of this RFP, all renewal Permanent Supportive Housing (PSH) recipients were required to complete a Renewal/Reallocation Questionnaire. Through this process, recipients were asked to indicate whether they:

- Intend to apply for renewal of their full existing award;
- Intend to voluntarily reallocate all or a portion of their existing award;
- Intend to voluntarily relinquish CoC funding; or
- Intend to transition their existing PSH project to a Transitional Housing project through HUD's Transition Grant process.

The Homeless Coalition strongly encourages voluntary reallocation and transition opportunities as a strategy to preserve funding within the community and increase competitiveness under the FY 2026 NOFO.

### **2. Renewal Project Performance and Ranking**

The CoC Competition Evaluation Workgroup completed renewal project evaluations prior to the release of the FY 2026 NOFO. No renewal project was identified as requiring reallocation due to performance concerns, and no projects were recommended for funding reductions based on project performance.

However, project performance scores and local ranking results will continue to be considered when determining the placement of projects on the CoC Priority Listing and when evaluating funding reductions that may be necessary to comply with HUD's FY 2026 funding priorities.

### **3. Funding Reductions Necessary to Meet HUD Requirements**

The FY 2026 NOFO establishes a national goal of reducing the proportion of CoC funding dedicated to Permanent Housing and increasing investment in Transitional Housing and Supportive Services Only projects through a tier 2 set aside.

As a result, the Sonoma County Homeless Coalition will be required to reduce, reallocate, or transition existing Permanent Housing funding in order to compete nationally with HUD's funding priorities and maximize the likelihood of retaining federal funding within the community.

If additional reductions are necessary, the Homeless Coalition Board may reduce funding requests, partially reallocate awards, or reject projects based on local ranking, project type, transition feasibility, and the need to maximize protection of the CoC's Annual Renewal Demand.

#### **4. Final Reallocation Recommendations**

The CoC Competition Evaluation Workgroup will review all voluntary reallocation offers, transition requests, and funding scenarios and make recommendations to the Homeless Coalition Board. The Homeless Coalition Board retains final authority over all reallocation decisions, project rankings, funding reductions, and approval of the CoC Priority Listing submitted to HUD.

Given the significant changes in the FY 2026 NOFO, some existing Permanent Housing funding will be reallocated for new Transitional Housing and Supportive Services Only projects. The Homeless Coalition's primary objective in making these decisions will be to preserve the greatest amount of federal funding possible, retain the community's highest-performing housing resources, and position Sonoma County's project portfolio to remain competitive under HUD's revised national funding priorities.