

Homeward Staff Briefing: US Housing and Urban Development (HUD) FY26 Continuum of Care Funding Application

Prepared by Homeward Staff, 6/7/2026

Source of Information: Information for this staff briefing is drawn from the HUD website: <https://www.hud.gov/hud-partners/community-coc> and from a [memo produced by the National Alliance to End Homelessness](#).

Background: The HUD Continuum of Care funding is the largest *single* source of funding for certain coordinated homeless assistance programs in the Richmond region, making up approximately 30% of the annual estimated cost of GRCoC programs. See <https://www.endhomelessnessrva.org/funding-guidelines> for more details.

The Continuum of Care program is authorized by Congress under the 2009 HEARTH Act and funding is appropriated annually by Congress. Specific details for the annual funding competition are laid out in the annual Notice of Funding Opportunity (NOFO) and other federal regulations.

Unique and important features of the HUD CoC funding process:

- HUD provides funding to a Continuum of Care (CoC).
 - Each CoC must submit a single community application detailing system performance, community processes, and CoC coordination and engagement.
 - In addition to this community application, the CoC submits individual project applications as part of a *project priority listing*.
 - Since FY2015, HUD has provided funds for CoC Planning to the designated Collaborative Applicant (currently Homeward). These planning grants are determined by formula and are not competitive.
 - Details of the planning requirements are laid out in 24 CFR 578 (nationally) and in the Memorandum of Understanding between the GRCoC Board and Homeward (regionally).
- Congress has historically required a competitive and performance-based funding program and has prioritized funding for renewal projects.
- CoC's rank projects and exercise local control with **Tier 1 projects**.
- **Tier 2 projects** compete with other projects around the country based on the overall score of the CoC application.
- Household eligibility for CoC programs relies on a narrow definition of homelessness.
- The amount of funding available overall is not tied to community need or CoC performance.
- Limited increases to the amount of CoC funding appropriated by Congress have not kept up with increases in the cost of rental assistance or labor.

Amount of funding for the region: The GRCoC has increased its "Annual Renewal Demand" [amount of funding used to determine how much we can compete for] **88.7%** from \$5,614,081 in the FY2023 competition to \$10,593,228 in the FY2025 competition thanks to successful applications for the Youth Homelessness Demonstration Project to serve youth and young adults

ages 18 – 24 experiencing homelessness in 2022 and to the increased CoC score in FY2024 which added 3 bonus projects including 2 Domestic Violence (DV) bonuses and one permanent housing bonus. Our Annual Renewal Demand for the FY2026 competition should reflect this increase.

Current funding amounts: GRCoC programs have different starting times based on historical and programmatic reasons. Most GRCoC COC-funded programs have not yet started their FY2025 awards. The award amounts and categories of funded programs are listed below:

Project Type	Total by category	% of comp portfolio
Permanent supportive housing	\$5,873,874	57.71%
Rapid re-housing (RRH)	\$768,286	7.55%
RRH for families	\$336,108	3.30%
RRH Youth* (includes Joint TH-RRH)	\$1,515,068	14.89%
RRH for domestic violence survivors	\$409,678	4.03%
Total permanent housing	\$8,903,014	87.48%
Service coordination (triage, assessment, referrals, case conferencing)	\$283,880	2.79%
Service coordination for domestic violence survivors	\$276,444	2.72%
Outreach for unsheltered populations	\$69,244	0.68%
Outreach & peer support for youth and young adults	\$497,265	4.89%
System data collection	\$147,688	1.45%
Total competitive portfolio	\$10,177,535	
Planning and support (non-competitive)	\$415,693	
Total FY25 CoC Award for VA-500	\$10,593,228	

Changes to the FY2026 CoC Funding competition:

- Overall, the HUD administration is moving away from proven housing-focused approaches and permanent housing programs that combine rental assistance and supportive services to prioritize transitional housing and programming that centers treatment for substance use disorders.
- Our community can prioritize **60%** of our current Annual Renewal Demand in “Tier 1.” HUD will release the official amounts for this and other components soon.
 - Historically, Tier 1 has been set to 90% to prioritize local control of the funding.
 - Tier 1 projects must meet quality standards and undefined risk and merit reviews.
 - Renewal programs are more likely to be funded if they are included in Tier 1.
- HUD will prioritize the following application types:
 - Transitional housing projects
 - Supportive Services Only projects including:
 - Supportive services not tied to a housing program

- Street outreach (that partners with law enforcement)
 - Coordinated entry projects
 - Domestic violence bonus projects (including transitional housing)
- HUD is encouraging applications from new agencies not previously funded by HUD CoC.
 - HUD has emphasized this opportunity for faith-based organizations.
- HUD policy priorities include
 - The availability of treatment and recovery programs in the CoC
 - Cooperation with law enforcement
 - Requiring program participants to participate in services (including employment or volunteering) to receive assistance
 - Not engaging in “illegal racial discrimination”
 - Not operating drug injection or safe consumption sites or using harm reduction methods

Competition Scoring: HUD has provided a generalized points schema to be used to determine the level of funding available. See the full NOFO for more details and more analysis will be coming if HUD provides more details on some of the new measures. Total points available are 200.

- Project Capacity, Review, and Ranking: 14 points
 - Measures the existence of a coordinated, inclusive, and outcome-oriented community funding process
- System Performance: 64 points
 - System-wide performance measurement process related to reducing homelessness
 - Includes reducing encampments, reductions in the Point-in-time count from 2024, exits to “unsubsidized housing”
 - Income growth from employment
- CoC Coordination and Engagement: 122 points
 - CoC Board composition
 - Comprehensive strategies to reduce homelessness
 - Availability of treatment and recovery services
 - Funding for supportive services
 - Engagement with law enforcement
- Bonus points: 20
 - CoC merger [GRCoC is not eligible]
 - Policy initiative preference points