



MEMO

Date: 11.24.2025

To: Leadership Council

From: Taylor Neighbors, Suncoast Partnership to End Homelessness, CoC lead agency

Re: 2025 US Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Notice of Funding Opportunity (NOFO)

Background:

HUD has released the NOFO for funding through the CoC Program. This NOFO “rescinds and supersedes any mention of awards in the FY 2024 and FY 2025 Continuum of Care Competition and Renewal or Replacement of Youth Homeless Demonstration Program Grants published on July 31, 2024 and includes several changes” (p. 15 of FY25 CoC NOFO). It contains significant changes to HUD priorities and the processes for this NOFO. As such, we have to modify our local competition scoring and process to align.

The FY 25 CoC NOFO is available here: [FY 2025 Continuum of Care Competition and Youth Homeless Demonstration Program Grants NOFO](#)

Key Changes:

Priorities

HUD replaced the FY 24 NOFO priorities with six new priorities (p. 12-13 of FY25 CoC NOFO):

1. Ending the Crisis of Homelessness on Our Streets
2. Prioritizing Treatment and Recovery
3. Advancing Public Safety
4. Promoting Self Sufficiency
5. Improving Outcomes
6. Minimizing Trauma

FY 24 NOFO priorities (p. 6-10 [FY 2024 and FY 2025 Continuum of Care Competition and Renewal or Replacement of Youth Homeless Demonstration Program Grants](#)):

1. Ending Homelessness for All Persons
2. Using a Housing First Approach
3. Reducing Unsheltered Homelessness
4. Improving System Performance
5. Partnering with Housing, Health, and Service Agencies
6. Racial Equity
7. Improving Assistance to LGBTQ+ and Individuals

8. Persons with Lived Experience/Expertise
9. Building Effective Workforce
10. Increase Affordable Housing Supply

Tiering and Ranking

- The CoC's Tier 1 projects are capped at 30% of Annual Renewal Demand (ARD) (in FY24 Tier 1 projects were capped at 90%). This change means that a majority of projects will be ranked in Tier 2, and these projects will compete nationally for awards.
 - For our CoC, we have \$1, 772, 906 in renewable grants of which \$531, 872 will likely be funded; the remaining current grants will go into the National competitive pool.
- HUD will competitively award all DV and YHDP projects, including renewal and replacement YHDP projects. In CoC FY2024, YHDP programs were not competitively ranked.
 - This does not impact our CoC.

Cap on Permanent Housing Funding

- No more than 30% of the ARD can be used for permanent housing projects (PSH, RRH, Joint TH RRH). (p. 15 of FY25 HUD NOFO)
 - For our CoC, this means that \$531,872 is the maximum available for permanent housing. Our current grants include \$1,640,394 of Rapid Rehousing and Permanent Supportive Housing projects categorized as permanent housing.
 - It is important to note that although Rapid Rehousing is classified as Permanent Housing, it has always had a 24-month time limitation on assistance. It is considered permanent because people enrolled in a Rapid Rehousing project must have their own lease, with legal rights of tenancy which is separate from any case management or supportive services. With this, people remain housed once their participation in the program ends. RRH does require a minimum of case management services once a month. The goal is to build self-sufficiency so that dependency on the financial assistance reduces over time along with the necessity for supportive services through the RRH case manager. Any ongoing service needs are shifted to community partners and programs. This is referred to as Progressive Engagement.
 - Permanent Supportive Housing is categorized as Permanent Housing and does not have any time limitations on rental assistance or supportive services. These projects are designed for people who have very high supportive service needs and typically require intensive case management and programs/services to stabilize in transition from homelessness to housing. Disability has been a requirement to enter such projects. It is important to note that our CoC has long recognized the importance of "move on" strategies to implement more cost effective, long-term (or permanent) solutions. Move on strategies include prioritizing disabled and elderly people in PSH projects, who have limited or no ability to increase their income, for

housing vouchers and income-based housing and match with community based supportive services to ensure long term housing stability.

Emphasis on Transitional Housing

• Through the cap on permanent housing programs, HUD has emphasized the creation of new Transitional Housing projects. (p. 15 of FY25 CoC NOFO). These projects allow for housing in a variety of settings such as scattered site where someone may have their own lease and group or room settings, with up to 24 months of rental/occupancy assistance. However, there are extensive supportive services required on a weekly basis for a person to remain in any group/room setting or to receive financial/rental assistance in a scattered site model.

Emphasis on Supportive Service Project Types

• Through the cap on permanent housing programs, HUD has emphasized the creation of new Supportive Services Only (SSO) projects. (p. 15 of FY25 CoC NOFO) SSO project types have been further divided into three categories to distinguish different threshold requirements for each:

- * SSO – Standalone
- * SSO – Street Outreach
- * SSO – Coordinated Entry

- Due to the limited funding available in our CoC, and in order to ensure we are covering gaps in services and not duplicating, our local competition will only include standalone projects.

• These project types have distinct project quality threshold criteria, as outlined on page 57-60 of the FY 25 CoC NOFO.

New Project Threshold and Project Quality Criteria

• HUD will review all new project applications to determine if they meet 1) project threshold criteria, and 2) project quality threshold requirements.

• HUD's project threshold criteria includes that projects certify to the following (p 54 of FY 25 CoC NOFO):

* "The project applicant will not engage in racial preferences or other forms of illegal discrimination."

* "The project applicant will not operate drug injection sites or "safe consumption sites," knowingly distribute drug paraphernalia on or off of property under their control, permit the use or distribution of illicit drugs on property under their control, or conduct any of these activities under the pretext of "harm reduction."

• HUD's project quality threshold criteria are specific to the project type but, among other criteria, require projects to demonstrate that program participants are required to participate in supportive services by providing evidence such as a lease agreement; transitional housing providers must provide 40 hours/week of services; and new PSH must serve elderly individuals and individuals with physical or developmental disabilities.

HUD Disqualifications and Risk Review

- HUD may reject applicants during the HUD Risk Review process for evidence (including previous application materials, public sources, or complaints) of “a history of subsidizing or facilitating activities that conflict with the purposes of this NOFO.” (p. 89 of FY 25 CoC NOFO)
- HUD reserves the right to evaluate project eligibility if there is evidence the project “has previously or currently conducts activities that subsidize or facilitate racial preferences or other forms of illegal discrimination or conduct activities that rely on or otherwise use a definition of sex other than as binary in human,” or “evidence that the project 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.” (p.55 of FY 25 CoC NOFO)

New CoC Application Ranking Factors

- The CoC Rating Factors are the evaluation criteria HUD uses to assess and score the CoC's overall application. The overall application score will be used to score individual project applications as well.
- HUD removed Rating Factors such as those related to Housing First and equity and added Rating Factors (p. 66-88) such as the presence of substance use treatment centers and detox centers in the geographic area, local laws that prohibit public camping, requirements to participate in supportive services, and collaboration with law enforcement.
 - Our CoC has been at the forefront of partnerships with law enforcement and designing programs and implementing services that promote public safety and use of public space for all while balancing needs and services for those experiencing homelessness. This will benefit our CoC in this year's NOFO process.
- With the emphasis on supportive service requirements, the overall application and individual projects are awarded more points based on the required supportive services. An application can't receive full points in this competition without 100% project participation in supportive services. (p.80 of FY 25 CoC NOFO)
- Applications will be scored over 3 rating areas (Merit Review) with significant changes from the previous year. Previous CoC Application Scoring awarded points to CoCs across 7 rating areas with no significant differences from the year prior.

Cost of Living Adjustments for Conditionally Selected Grants

- HUD will adjust amounts for the supportive services and HMIS Cost budget line items for renewing projects using the most recent three-year average of changes in State Quarterly Census of Employment and Wages (QCEW) for the category Social Assistance (NAICS 624). Data can be found at: <https://www.bls.gov/cew/data.htm> (p. 94 of FY 25 CoC NOFO)

Other Changes

HUD requires that **new** PSH must serve elderly or physically disabled individuals (not

including substance use disorder) with required services. This will not impact our CoC as we currently have \$965,599 in PSH renewal projects and the permanent housing cap for our community is \$531,872. Our RFP will score and rank our existing PSH, and select based on threshold and other requirements as outlined in our local competition.

Updated HUD Applicant and Recipient Assurances and Certifications (HUD-424B) form is required that includes a certification that the applicant will not use federal funding to promote diversity, equity, and inclusion mandates, policies, programs, or activities that violate any applicable federal anti-discrimination laws. This aligns with contract changes made at the State level as well.

New Certification of Need and Compliance with Housing Quality and Habitability Standards in which the Collaborative Applicant must certify a demonstrated need for all PH projects included in the Renewal Project Listing and that they all comply with program requirements, including HQS or Habitability Standards (whichever is applicable). Our CoC will need to complete this form.

New Certification for Opportunity Zone Preference Points if the CoC is requesting up to 4 Opportunity Zone preference points. If we have projects within these areas, our CoC will need to complete these forms.

The availability of funds through the contracting process will shift from previous years. Typically, although the contracts often take up to 5 months from the time funds are awarded and HUD issues the contract, the performance period has been able to be adjusted so that for renewal grants, they can start the day after the previous one ends. Additionally, this competition was held earlier so that the award date was earlier in the calendar year therefore allowing new projects to select a performance period closer to the beginning of the year and reducing opportunities for gaps in funding services. This year, the anticipated award date from HUD is 5/1/2026 and the estimated performance period start date is 5/1/2026. We are looking for technical clarification, but it appears that unless a renewal project applies for a Transition Grant over to a new project, if their current grant expires before 5/1/2026, there will be a gap in funding. This impacts one renewal grant for RRH in our CoC.

Funding Available:

The HUD CoC Estimated Annual Renewal Demand Report (ARD) shows the following funding available for FL-500 (Manatee and Sarasota CoC) to apply for:

Estimated ARD - \$1,772,906 of which \$531,872 will be in Tier 1
\$772,392 for CoC Bonus
\$386,196 for DV Bonus

Timeline:

In order to meet the benchmark requirements around timing in the HUD NOFO, our local competition will need to adhere to the following:

November 28, 2025 – Target date to release local competition Request For Proposals
December 15, 2025 – Application due to Suncoast Partnership for local evaluation, rating, and ranking
December 30, 2025- Notice to Applicants regarding selected and rejected projects
January 7, 2026 – All project applications must be completed in e-snaps (the electronic system required by HUD)
January 12, 2026 – Complete CoC application posted to the website
January 14, 2026 – Submission due to HUD

Final Notes:

The HUD NOFO document is a lengthy, technical, and detailed document that requires significant analysis in a typical year. This year, this requirement and process is greatly amplified and includes challenges in timing around holidays and a short application time frame. The Suncoast Partnership team has been working diligently on this since 7:25 p.m. on November 13th when we received notice of its release. We are actively engaging with CoC's throughout the State of Florida and across the U.S. on strategies and are participating in all available support webinars through HUD and other resources. There will be significant changes for our community funding, and we will need to have many discussions in the months to come as a Leadership Council and with funders, service providers (homeless and otherwise), and system partners to strategically navigate changes in a manner that aligns with our local community needs in ending homelessness.

Please keep in mind that this is a competitive process and while in open procurement, discussions may not be had with any provider who may be applying for funds or any person/organization who will be participating in the reviewing, scoring, and ranking process for applications. Suncoast Partnership will continue to convene meetings and discussions with this requirement in mind.