



# FY2025 Continuum of Care (CoC) Notice of Funding Opportunity (NOFO) and Local Process Highlights

## Subject

The U.S. Department of Housing and Urban Development (HUD) released the FY 2025 Continuum of Care Competition and Youth Homeless Demonstration Program Grants.

FY 2025 is a structural reset for the CoC Program. The CoC must rebalance portfolios, enhance partnerships with treatment and public safety systems, prioritize crisis response and employment, and prepare for increased Tier 2 competition. Additional guidance and local timelines will be released by the RTFH.

## Key FY2025 NOFO Changes

- The Tier 1 reduction to 30% of ARD (In previous competitions Tier 1 represented 90% of the CoC portfolio)
- The structural 30% cap on Permanent Housing (PSH, RRH, Joint TH-RRH)
- The scoring shift toward projects that prioritize treatment, recovery, and behavioral health partnerships
- The prioritization of SSO-Outreach and Transitional Housing as crisis-response infrastructure
- The allowance to Transition renewal projects from one program component (e.g. PSH or RRH) to another eligible component type (e.g. TH)
- The expectation of required services participation in high-scoring projects
- The tie between encampment reductions (20%) and competitive scoring
- The expanded emphasis on employment, increased earned income, and economic mobility
- The requirement for stronger law enforcement, first responder, and public safety coordination
- The heightened importance of trauma-informed design, particularly for women, youth, and DV survivors
- The inclusion of YHDP projects in competitive scoring
- The removal of protection of first-time renewals from reallocation
- The increase in verification requirements

## Key Dates

HUD released [the FY 2025 Continuum of Care Competition and Youth Homeless Demonstration Grants NOFO](#) on November 13, 2026.

Local Timeline – Both HUD and the local process have multiple due dates. For processes such as submitting a series of verification documents; and application narratives and required attachments; etc. Please refer to [the local timeline](#) for details.

As in past years, the CoC must receive all proposals for new or renewal projects no later 30 days in advance of the HUD due date. Additionally, all sections of the application and required attachments will be posted to the RTFH website no later than 2 days prior to the HUD due date.

For the 2025 Application, to earn all points, all sections of the application and required attachments must be posted on the RTFH website no later than 5:00 PM, Pacific Time (7:59:59 PM Eastern) on January 14, 2026. The local process will require applications and all required attachments to be submitted to the CoC NOFO



## Funding Categories

<b>Category</b>	<b>Amount</b> (estimated, pending verification of PPRN RPRN)	<b>Description</b>
<b>Annual Renewal Demand (ARD)</b>	\$42,553,677	Funds needed to support all eligible renewals, expiring in calendar year 2026.
<b>Youth Homeless Demonstration Program Renewal Projects (YHDP)</b>	\$4,458,457	Funds reserved for YHDP renewal or replacement projects (included in ARD above)
<b>Base ARD</b>	\$42,553,677	Renewal ARD Funding.
<b>Tier 1</b>	\$12,760,103	Maximum funds Available in Tier 1 (30% of ARD) *Note No more than 30% of the CoC ARD can fund Permanent Housing projects (PSH, RRH, Joint TH-PH-RRH).
<b>Tier 2</b>	\$29,773,574	Difference between total ARD and Tier 1 maximum.
<b>Permanent Housing CAP</b>	\$12,760,103	No more than 30% of the CoC's ARD can fund Permanent Housing projects (PSH, RRH, Joint TH-PH-RRH).
<b>Planning Grant Funds</b>	\$1,500,000	Funds reserved for Collaborate Applicant Planning Grant Application (5% of ARD non-competative). \$1.5 Million cap
<b>CoC Bonus Funds</b>	\$8,541,735	Maximum funds for CoC Bonus Projects (20% FPRN)
<b>Domestic Violence Bonus Funds</b>	\$2,850,000	Estimated funds allowed for new projects 100% dedicated to DV. (10% of Preliminary PRN)
<b>Transition and Reallocation of Grants</b>	TBD	Funds made available to reorganize into other eligible component types by local decision-making processes, currently included in ARD. The CoC will have to exercise this option to rebalance the portfolio to accommodate the 30% cap on Permanent Housing.

### ***DV Bonus Funding***

The FY2025 NOFO application allows for up to 10% of the CoC's Preliminary Prorata Need (PPRN) for new or expansion project applications committed to serving only households qualifying under the domestic Violence (DV) definition. 100% of the new project is restricted to qualified DV households. The DV Bonus is a decrease of 5% from last year.

### ***CoC Planning Grant***

The RTFH as the Collaborative Applicant can submit a CoC Planning Grant Application for up to 5% of the ARD. This allocation is capped at \$1.5 million. This is the same as 2024.

### ***Executive Order #12372 Intergovernmental Review***

The CoC Program is not subject to E.O. 12372 in 2023. Previously, the program was subject to this E.O. but was not selected for review. This is the same as last year.

### ***Homeless Definition***

Category 4 of the Definition of Homelessness recognizes the statutory changes associated with the 2022 Reauthorization of the Violence Against Women Act Reauthorization (VAWA). The 2024 NOFO applied the revised definition to all references to 'homeless' for all purposes. The revised definition was provided during VAWA training. Agencies are reminded that to implement the new definition, updated policies and standards are needed to reflect the new criteria.

### ***VAWA Eligible Activities - Compliance and Facilitation***

As noted during the CoC Violence Against Women Act Reauthorization (VAWA) training, HUD allowed new VAWA budget line items (BLI) to be included beginning with the 2023 Application. This continues in 2025. Renewal Project Applicants wishing to use the VAWA BLI can request these in the Project Application. For renewal projects that are funded through DV Bonus funds, or declare victims of violence as a primary population, HUD is expected to automatically select an option to use funds for the VAWA eligible activities for households who qualify which would continue their action from 2024.

### ***YHDP Renewals***

**NOTE: YHDP projects will be rated and ranked for FY2025.**

- YHDP renewals are allowed for projects expiring in CY 2026.
- YHDP Reallocation/Replacement projects can include activities not normally permitted under the CoC Program (e.g., Host Homes, crisis TH, SSO variations)
- YHDP match requirements may be waived
- YHDP expansions cannot be funded with CoC Bonus or DV Bonus

## **HUD'S FEDERAL FUNDING OPPORTUNITY GOALS**

HUD's Appendix B outlines six explicit Funding Opportunity Goals that shape every major element of the FY25 NOFO. These goals provide the federal rationale behind the system redesign and should be treated as the interpretive framework for Tier structure, scoring for the full portfolio of projects, component eligibility, and system expectations.

### **1. Ending the Crisis of Unsheltered Homelessness**

- Highest-ever rates of unsheltered homelessness.
- High prevalence of behavioral health conditions among unsheltered individuals.
- HUD expects CoCs to reduce encampments, coordinate with law enforcement, and respond to public disorder concerns (citing [Executive Order 14321](#) and [Grants Pass v. Johnson](#)).
- Outreach, engagement, and crisis-response capacity are central to system design.

### **2. Prioritizing Treatment and Recovery**

- HUD expects projects to provide or link directly to treatment, recovery support, and robust supportive services.

- Required participation is incentivized in scoring (up to 10 points)
- TH and SSO-Outreach are positioned as treatment-aligned investments.
- CoCs must leverage mainstream and private healthcare resources.

### **3. Advancing Public Safety**

- Homelessness is framed as a public safety issue affecting housed and unhoused residents.
- Law enforcement and first responders must be formal partners.
- Encampments, public drug use, and unsafe conditions must be addressed in coordination with local jurisdictional safety authorities.
- Special attention required for women and youth facing sexual assault and trafficking risks.

### **4. Promoting Self-Sufficiency**

- CoCs must strengthen workforce partnerships, employer connections, childcare access, and economic mobility services.
- HUD prioritizes projects that increase earned income over public benefits.
- Housing models better aligned with employment expectations are structurally advantaged.

### **5. Improving Outcomes**

- CoCs must review all project renewals for performance, outcome delivery, and self-sufficiency impact.
- HUD encourages reallocation, expansion, and transition grants to diversify providers and strengthen overall CoC performance.
- Faith-based organizations explicitly encouraged as part of provider diversification.

### **6. Minimizing Trauma**

- Trauma-informed care is a core expectation across programs.
- Safety for women and survivors is central; HUD emphasizes the need for single-sex safe spaces when appropriate.
- Providers must mitigate trauma associated with homelessness and with interventions.

### ***Performance Improvement Plans***

The 2022 CoC Rating and Ranking process introduced the “Performance Improvement Plan” requirement. The 2025 process will review information relevant to the PIP and will make recommendations for which projects (those subject to PIP in 2023 and 2024, or applications in 2025) will be required to engage in the PIP, as well as any funding allocation impacts. The PIP Policy includes potential reallocation of funds for projects needing to file and report on two consecutive PIPs. The FY2025 process will review progress and determine the appropriate level of reallocation in each case.

### ***NOFO-Driven Strategic Reallocation***

In accordance with HUD’s annual Notice of Funding Opportunity (NOFO) requirements, the CoC retains the discretion to reallocate funding in whole or in part to align with federal priorities, newly eligible project types, or other directives outlined by HUD. The CoC may, at its sole discretion, initiate strategic reallocations to ensure compliance and competitiveness in the national CoC Competition. No project shall be held harmless or exempt from such reallocations when federal rules, funding priorities, or competition structures require adjustments. This flexibility ensures that the CoC can respond promptly to new or modified HUD guidance, including funding shifts to specific project types (e.g., PSH, RRH, TH-RRH, SSO-CE, or new initiatives identified in the NOFO).

### ***Chronic Underspending Reallocation Policy***

The FY2023 R&R process implemented the *Chronic Underspending Reallocation Policy* that established criteria and guidelines for realigning (right-sizing) project-level allocations with the project’s history of use of funds. HUD reports on expended and recaptured for CoC-funded projects are used to assess the level of funds returned by an organization’s projects. When a pattern of under-utilization of funds is observed, the CoC must take action to ensure that funds stay within the CoC and are not returned to HUD. This policy continues in 2025.

### ***Communication***

Renewal Agencies and Prospective Applicants are reminded that official NOFO notices and other key information are posted on the RTFHSD.org website. You are encouraged to frequently check the website for updates. Each organization identifies two points of contact for communications during the local review process.