

**Springfield-Hampden County Continuum of Care
FY26 Competition Policies and Procedures
June 22, 2026**

1. PURPOSE

1.1. **Purpose** - This policy establishes the local process for reallocating or reducing renewal projects during the FY26 CoC Program Competition to ensure alignment with:

- the FY26 CoC Program and YHDP NOFO
- 24 CFR Part 578
- Direction from the CoC Board of Directors
- the need to use CoC resources in a transparent, fair, performance-based, and system-aligned manner

This policy supports responsible stewardship of CoC resources and allows the CoC to prioritize eligible projects that support local system needs, meet HUD requirements, and shift funding away from lower performing, underutilized, underspent, or misaligned projects.

2. FEDERAL REQUIREMENTS AND FUNDING LIMITS

2.1. **Available Funding for New Projects** For FY26, new project funding is limited to the amount available through:

- CoC Reallocation
- DV Reallocation, if applicable
- YHDP replacement/reallocation processes, if applicable and allowed by HUD
- CoC Bonus
- DV Bonus

New CoC projects created may include HUD-eligible project types allowed under the FY26 NOFO and local competition policy, subject to HUD eligibility, quality threshold requirements, and available funding.

2.2. **Tiering Requirements**

HUD uses a tiered funding selection process. The HUD competition sets the funding amount for Tier 1 at 60% of the CoC's Annual Renewal Demand (ARD) for renewal funding, and HUD will fund eligible projects placed by the CoC in Tier 1 if the projects meet HUD's project threshold review. Tier 2 funding is made up of the remaining portion of the CoC's ARD, plus available funds for CoC Bonus and DV Bonus. HUD will fund Tier 2 projects that pass threshold review competitively, based on HUD priorities, the CoCs score in the overall competition, and the rank number within Tier 2.

The CoC is eligible for a CoC Planning Grant, and for Unified Funding Agency (UFA) funds. These funds are awarded non-competitively and are not tiered.

2.3. FY26 Estimated Funding Amounts

A CoC's eligible funding amounts are communicated to CoC's through the Grant Inventory Worksheet (GIW), a HUD-generated spreadsheet that lists all grants eligible for renewal and the allowable renewal amount. As of the date of the release of these polices and procedures, HUD has not released the GIW for the FY26 competition. Therefore, the amounts listed below are estimates and will be subject to possible correction once the HUD GIW is released.

Tier 1	\$5,872,555
Tier 2	\$3,915,037
CoC Bonus	\$1,468,138
DV Bonus*	\$1,957,518

*Note that CoC Bonus funds are available for renewing DV Bonus projects and new DV Bonus Projects. The CoC's existing DV Bonus projects eligible for renewal have a total renewal amount of \$1,333,843.

CoC Planning Grant, 5%: \$489,379

UFA Grant, 3%: \$293,627

2.4. Eligible Renewal Projects for Reallocation Renewal projects may be reduced or eliminated for reallocation as allowed under the FY26 NOFO and applicable HUD requirements. New projects created through reallocation must meet applicable HUD project eligibility requirements, local threshold requirements, and project quality standards. The CoC's estimated annual renewal demand is \$9,787,592.

2.5. YHDP Reallocation / Replacement Restrictions YHDP funding must remain dedicated to eligible youth projects unless HUD expressly allows otherwise. YHDP renewal projects may not be reallocated to create new non-YHDP projects unless expressly permitted by HUD. The CoC's current estimated annual YHDP renewal funding is \$1,581,496.

2.6. DV Reallocation Restrictions DV Bonus and DV Reallocation funding must be used for eligible DV projects and must continue to serve the intended population. DV renewal projects may not be reallocated to create new non-DV CoC projects unless expressly permitted by HUD. The CoC's current estimated annual DV renewal funding is \$ 1,333,843.

2.7. HUD Prioritization HUD has indicated that it will select projects in the following order:

- HUD will select all **CoC Planning and UFA Costs** applications that meet project eligibility threshold requirements.
- HUD will then select all projects in **Tier 1** that pass project eligibility thresholds.
- HUD will then review **DV Bonus projects (this does not include DV Reallocation or the renewal of projects originally funded under the DV Bonus)** already selected for funding

through the above process and determine whether \$104,000,000 has been awarded to DV Bonus projects: (a) If at least \$104,000,000 has been selected for conditional award no further action is needed. (b) If \$104,000,000 has not been selected for conditional award – HUD will continue down the list and fund additional DV Bonus projects by project-level score until at least \$104 million has been selected.

- HUD will then review **Permanent Housing projects for families with children** already selected for funding through the above process and determine whether \$430,000,000 has been awarded to Permanent Housing projects that serve families with children: (a) If at least \$430,000,000 has been selected for conditional award no further action is needed. (b) If \$430,000,000 has not been selected for conditional award – HUD will continue down the list and fund additional Permanent Housing for families with children projects by project-level score until at least \$430 million has been selected.
- HUD will then select **new Transitional Housing (TH) or Supportive Service Only (SSO)** projects ranked in Tier 2 that meet project eligibility thresholds in the order of project score until \$1,300,000,000 of new projects have been selected.
- HUD will then continue selecting **new projects ranked in Tier 2** that meet project eligibility thresholds in the order of project score until \$1,300,000,000 of new projects have been selected.
- If at any point, HUD selects new projects in an amount more than \$1,300,000,000, HUD will remove all remaining unselected new projects, recalculate Tier 2 scores, and continue selecting projects.

3. LOCAL PRIORITIZATION

3.1. The CoC has analyzed HUD’s rules for allocation of renewal and new funding and has determined the following:

- The CoC will place its highest-priority renewal projects in Tier 1
- Renewal projects not placed in Tier 1 are unlikely to be funded
- The CoC encourages applicants with high-performing projects that will be placed in Tier 2 to submit a substitute project, which may be considered as a reallocation or replacement project if selected

3.2. Based on its analysis and local priorities, the CoC Board of Directors has determined that it will use the following strategy for tiering for the FY26 CoC competition:

- The following projects will be placed in Tier 1, provided they meet local scoring criteria for renewal, and in the order listed below:
 - HMIS
 - Coordinated Entry projects
 - PSH projects, in order of project score
 - Projects in their first year of operation
 - If Tier 1 is not all allocated by the project types listed above, then the highest-ranking Tier 2 project(s) will move above into Tier 1

- Projects that are approved for funding and are not placed in Tier 1 shall be placed in Tier 2 in the order of score earned by the project.
- Due to HUD’s prioritization, projects placed in Tier 2 are unlikely to be funded unless they are NEW TH or SSO projects. Therefore, existing projects seeking renewal which are not identified by the CoC as priority for local placement in Tier 1 should plan to apply as a new reallocation or replacement project. This includes projects that are currently TH, RRH, and Joint TH-RRH, and applies to these projects even if they are otherwise designated YHDP or DV projects.

4. LOCAL COMPETITION

- 4.1. The CoC will hold a local competition to determine projects to be placed in Tier2 and rank the projects.
- 4.2. The local competition will use a written request for proposals (RFP) to solicit applications to be considered for Tier 2.
- 4.3. A Project Selection and Ranking Committee (“Review Committee”) will review and make selection and ranking determinations. The Review Committee shall be made up of members of the CoC Board of Directors who are not employed by or are Board members of organizations responding to the local competition RFP.

5. LOCAL REALLOCATION

- 5.1. The local competition provides the opportunity for the CoC to reallocate funds from an existing renewal project to a new project. Reallocation is the means by which the CoC shifts funds from lower-performing projects to new projects that are expected to perform better.
- 5.2. In the FY26 competition, the CoC will use reallocation in the following circumstances:
 - PSH projects that fail to receive a minimum score of 50 points in the local CoC competition will not be placed in Tier 1 and funds from the project will be reallocated
 - Projects that do not submit a renewal application will be reallocated
 - Projects, other than first-time renewals,¹ that submit renewal applications for TH, RRH, and Joint TH-RRH, will be reallocated, unless there are no competing projects to use the reallocation funds
- 5.3. **Performance or Threshold Concerns** Projects may be reallocated or reduced due to:
 - poor performance outcomes
 - poor utilization
 - insufficient supportive services

¹ A first-time renewal is a project that was awarded funds for the first time in the FY24 CoC competition, and entered into a first-time CoC grant for the project after September 1, 2025.

- case management capacity issues
- HMIS or comparable database data quality concerns
- failure to participate in Coordinated Entry or approved DV process, where applicable
- monitoring findings
- match failures
- audit concerns
- unresolved compliance issues
- failure to meet local threshold requirements

5.4. **Supportive Services Alignment** For FY26, projects will be reviewed for alignment with HUD’s supportive services expectations, including whether housing projects can document participant supportive service participation requirements consistent with HUD rules and applicable protections. Projects that cannot document adequate supportive service capacity and participant services participation requirements may be subject to technical assistance, correction, ranking impact, reduction, or reallocation.

6. REDUCTION POLICY

6.1. The CoC may approve a project for funding and ranking but reduce the amount of the grant. For a renewal project, funds reclaimed through reduction will be made available for reallocation.

6.2. Projects may receive a partial grant reduction when:

- underspending persists
- utilization is below funded or contracted levels
- funding exceeds demonstrated need
- project costs are not reasonable based on performance or utilization
- a reduction is necessary to align with HUD or local competition requirements

6.3. The following factors will be considered in making a determination to reduce a grant amount:

- **Underspending / Financial Underutilization** Projects that return 10% or more of awarded funds in one or more of the prior to completed performance years may be required to:
 - submit a justification letter
 - explain barriers to full utilization
 - demonstrate corrective action
 - submit an updated spending plan
 - participate in technical assistance

If justification is insufficient or underspending is persistent, a portion of funding may be reduced or reallocated.

- **Utilization Concerns** Projects may be reviewed for reduction or reallocation if utilization is below contracted or funded levels without sufficient justification. Considerations may include:

- occupancy or utilization rate
- number of households or participants served
- leasing funds or rental assistance utilization
- staffing capacity
- referral acceptance and denial patterns
- project ramp-up or expansion status
- documented barriers outside the project’s control

Projects with consistent low utilization may be required to:

- submit a justification letter
- explain barriers to full utilization
- demonstrate corrective action
- submit an updated spending plan
- participate in technical assistance

6.4. Reductions are intended to preserve project integrity when possible while minimizing disruption to participants.

6.5. Reductions will be based on documented performance, financial, utilization, compliance, or system alignment concerns.

7. PRIORITY USE OF REALLOCATED FUNDS

7.1. Reallocated funds will be used for eligible new, expanded, replacement, or transitional projects in alignment with HUD requirements and local system priorities.

7.2. Priority uses may include:

- Transitional Housing
- Supportive Services Only projects, including outreach, recovery, employment, and stability-focused services
- Coordinated Entry or system access projects
- expansion of high-performing projects, where eligible
- transition of renewal projects to more aligned eligible project types
- projects serving survivors of domestic violence, dating violence, sexual assault, or stalking, where eligible
- YHDP replacement or youth projects, where eligible
- other eligible project types allowed under HUD guidance and local priorities

7.3. For YHDP or DV-funded projects, reallocated funds must continue to meet the population and funding-source restrictions established by HUD.

8. PROJECT-TYPE OR APPLICATION ADJUSTMENTS

8.1. The City of Springfield, as Collaborative Applicant, may work with applicant agencies to identify necessary project-type, budget, scope, or application adjustments to support FY26 NOFO compliance, local strategy, funding availability, and HUD eligibility.

8.2. Any project-type adjustment must remain subject to local review, HUD eligibility, available funding, scoring or threshold requirements, and final CoC Board of Directors approval.

9. PROCESS

9.1. **Assessment** The Review Committee will assess projects based on:

- HUD requirements and NOFO eligibility
- local scoring tools and performance scorecards
- financial utilization and spend-down
- project utilization
- threshold compliance
- HMIS or comparable database data quality
- Coordinated Entry participation, where applicable
- supportive services alignment
- monitoring or audit concerns
- system alignment
- local priority needs

9.2. **Provider Notification** Providers will receive written notice of:

- proposed reallocations
- proposed reductions
- transition or replacement requirements, if applicable
- reasons for the proposed action
- deadlines and next steps
- technical assistance opportunities
- any applicable local appeal or grievance process

9.3. **Board of Directors Approval** All reallocation and reduction decisions recommended by the Review Committee must be approved by the CoC Board of Directors in accordance with governance and conflict-of-interest policies.

9.4. In circumstances where the Collaborative Applicant or Lead Agency is directly impacted by a proposed reallocation, reduction, or new project funding decision:

- the Lead Agency will recuse itself from decision-making discussions and recommendations related to that project
- an independent review will be conducted by the Review Committee or designated conflict-free members
- final decisions will be made by the Review Committee in accordance with governance and conflict-of interest policies
- the decision-making process will be documented as part of the official competition record

All reallocation and reduction decisions will be conducted in a fair, transparent, and documented manner.

9.5. **Documentation** The CoC will maintain documentation of:

- project performance and scorecard results
- financial utilization and spending data
- reallocation or reduction rationale
- provider notices
- technical assistance offered
- Steering Committee decisions
- conflict-of-interest recusals
- final ranking decisions
- required HUD/local competition records

Priority consideration does not guarantee funding and remains subject to HUD requirements, local competition requirements, available funding, scoring or threshold requirements, and final Steering Committee approval.

10. APPEAL

- 10.1. If an applicant’s project is not selected for inclusion in the CoC’s application to HUD, or is funded at a reduced grant amount, the applicant may appeal.
- 10.2. An applicant may appeal by submitting a request for reconsideration in writing to Geraldine McCafferty, gmccafferty@springfieldcityhall.com. The request for reconsideration should provide new information about the factors that resulted in a low score, expected impacts on program participants, or other relevant information.
- 10.3. The applicant may also appeal by submitting a by submitting an *esnaps* Solo Application directly to HUD no later than 8:00 p.m. on August 26, 2026. The CoC will provide technical assistance to assist the applicant access *esnaps*.