

City of Lincoln/Lancaster County (NE-502) FY 2026 NOFO Competition Project Rating and Ranking Procedure

Purpose

The Continuum of Care is required to rate and rank all new and renewal projects submitted to HUD for funding in an order that reflects the CoC's needs and priorities. For the 2026 competition, this includes all CoC new and renewal grants including the Youth Homeless Demonstration Project (YHDP) grants, Special NOFO grants awarded under the Rural Set-Aside, and any grants awarded under the DV Bonus, that will expire in calendar year 2027.

HUD has new goals and priorities which are reflected in the NOFO issued for 2026. Most important for this competition, HUD is seeking to expand the range of eligible projects for new applications and balance CoC funding among permanent housing, transitional housing, and supportive services. The 2026 NOFO is far more competitive than any recent competition. Tier 1, those grants assured of funding provided they meet basic threshold review, will only consist of 60% of current renewal funding. Further, just under one-third of the available funding is set aside for new transitional housing and supportive services only projects ranked in Tier 2. The ranking policy for 2026 is shaped by those NOFO requirements.

Policy

Performance Scoring Policy

Applications for New and Renewal Projects will undergo a threshold review to ensure compliance with Continuum of Care (CoC) regulations at 24 CFR 578 and the CoC Program Notice of Funding Opportunity (NOFO). **Any new or renewal project that does not meet the threshold requirements will not be further reviewed and will not be considered for inclusion in the Collaborative Application to HUD.**

Threshold factors can be found in [HUDs FY026 Continuum of Care Competition and Youth Homelessness Demonstration Program Grants NOFO](#), starting on page 59. HUD has indicated that grants with poor performance, monitoring findings, results from investigations by HUD's Office of Inspector General, significant under expenditure, infrequent funding drawdowns, or consistently late Annual Performance Report (APR) submissions may not pass threshold review. Any renewal grantees with concerns about potentially not meeting threshold requirements should contact the CoC Planning Manager.

New project applications will undergo a more rigorous threshold review focusing on relevant experience, ability to achieve intended outcomes, use of other resources to supplement CoC funds, reasonable costs, and compliance with new HUD requirements. All new project applicants must demonstrate that they can meet all new project application rating factors for the project component they are applying for as shown starting on page 63 of the NOFO.

Scoring of renewal projects is largely based on data obtained from the most recent, completed Annual Performance Report (APR) and HMIS data, and aligns with the HUD approved System Performance Measures and local priorities.

All projects must participate in the All Doors Lead Home (ADLH) coordinated entry and referral process. This process prioritizes assistance toward the most vulnerable homeless people with the longest periods of time homeless.

Projects in the 2026 Project Priority List will be ranked in two Tiers according to the following priority and evaluation.

Tier 1

Renewal applications ranked by performance score in the following priority order until there are no remaining funds in Tier 1:

- Renewal permanent supportive housing
- Renewal CoC infrastructure: HMIS and Coordinated Entry
- Renewal transitional housing, rapid rehousing, supportive services only, and joint transitional/rapid rehousing projects
 - If a project straddles Tier 1 and Tier 2, at a minimum, that portion straddling shall be reallocated.

Tier 2

Projects in Tier 2 will be ranked in the following priority order.

- New project applications submitted by current CoC recipients seeking to transition their funding to transitional housing or supportive services only, ranked in order of the performance score of the grant(s) being transitioned.
- New project applications for transitional housing or supportive services only submitted by eligible organizations with a priority to organizations who have not previously received CoC funding or those proposing a project type (e.g., recovery or sober housing) that is not otherwise present in the CoC. These will be ranked according to new project scoring criteria including experience, intended outcomes, and cost-reasonableness.
- Remaining renewal projects that were not ranked in Tier 1 according to their renewal evaluation scores.
- New permanent housing projects
- New DV Bonus projects

Reallocation Policy

CoC grantees in good standing (no outstanding HUD or CoC monitoring findings and no open audit findings) may voluntarily reallocate their funding and will not have to compete with other organizations for that funding. Grantees will accomplish this using the transition application process for CoC grants and the YHDP replacement process for YHDP grants.

Any legal applicant for CoC funds can apply for new projects from the bonus pool or the uncommitted reallocation pool. The CoC will only rank new projects for which there is sufficient funding in the bonus or reallocation pool to fully fund the project.

Policy on Expenditure of Grant Funds

Under expenditure policy

It is the policy of the Nebraska Balance of State and Lincoln/Lancaster CoCs that CoC funds granted to an applicant agency will either be fully expended to assist eligible homeless people or the CoC will recapture the unspent funding and add it to the pool of resources available for reallocation.

CoC grantees that expended less than 90% of their funding in the most recent grant year will face recapture of unexpended funding that exceeds 10% of the grant funds. If, for example, the CoC grant was for \$100,000 and \$85,000 was expended, the grantee would see \$5,000 in funding recaptured. Recapture of unexpended funding that exceeds 10% of the total grant will be automatic. Grantees may prevent this automatic recapture by submitting an appeal to the Board of the CoC. The appeal will need to: explain the reason for the under-expenditure and provide a plan for fully expended the grant in the current cycle. The Board may approve the request at its discretion. However, if the funds are restored and under-expended in the subsequent grant cycle funding will be recaptured as indicated above. All CoC board decisions can be appealed but a second appeal would require extraordinary circumstances to be approved.