



Update on Federal Landscape

MARCH 2026



ALL STAKEHOLDERS MEETING



Role of the Collaborative Applicant (ECHO)



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ANNUAL COC NOFO COMPETITION



A primary role of ECHO is to implement any Notice of Funding Opportunities (NOFOs) coming from the U.S. Housing and Urban Development (HUD) requiring a local competition.



Annual CoC NOFO Competition



Since the mid 1990's HUD has required geographic areas to submit one consolidated application to apply for Continuum of Care (CoC) funding for homelessness projects.

ECHO submits one application on behalf of the Austin/Travis County CoC based on an annual local competition.



Annual CoC NOFO Competition



Local projects apply locally, are reviewed, scored, and ranked into either Tier 1 or Tier 2 or removed.

This ranking becomes the Priority Listing submitted by ECHO in the Collaborative Application.



New Policy Priorities



Federal Guidance for the FY2025 CoC NOFO and anticipated for FY 2026 CoC NOFO

Ending the crisis of homelessness on our streets	CoCs expected to direct resources towards outreach, intervention, and assistance consistent with Executive Order on “Ending Crime and Disorder on America’s Streets.”
Prioritizing treatment and recovery	CoCs expected to prioritize projects that provide treatment and services needed to recover and regain self-sufficiency, including on-site treatment and participation requirements in services.
Advancing public safety	CoCs expected to cooperate with law enforcement to advance public safety. HUD cited the Supreme Court decision in <i>Grants Pass v. Johnson</i> as upholding the authority of local governments to prohibit public camping.
Promoting self-sufficiency	CoCs expected to prioritize projects that help lead to long-term economic independence for individuals and families. This would allow them to exit homelessness and prevent future returns to homelessness.
Improving outcomes	CoCs should prioritize projects that promote self-sufficiency, increase employment income over government assistance, and promote treatment and recovery.
Minimizing trauma	CoCs should encourage the use of trauma informed care, ensure safety of program participants, and access to ‘safe, single-sex spaces’ for women.



Tier 1 Cap: 30% v. 60%



Historically 90% of our grant was safe and renewed by HUD and placed in Tier 1. This year, only 30% was safe.

- *Tier 2 projects are competed nationally with other CoCs across the country*
- *As of 1/26/2026, the Appropriations bill requires HUD to limit the Tier 1 cap to 60%. This bill has not passed the House and Senate and may have to be renegotiated if there is a government shutdown*
- *This is still a significant reduction. In the FY 2024 CoC NOFO Priority Listing, 78.5% of projects being ranked were placed into Tier 1*



New Requirements



Signaling a shift in PSH Eligibility

- PSH to serve *ages 62+, individuals with a physical disability/impairment or a developmental disability (not including substance use disability or mental health diagnosis)*
- *The conditions of this eligibility criteria have not been addressed by the U.S. District Court in Rhode Island, but a judgement will come and this will likely be appealed by either party.*



Changes to Project Design



Transitional Housing

- *New Transitional Housing Projects will be required to provide 40 hours of customized supportive services to participants (except for participants over age 62 or with a physical/developmental disability).*

Supportive Services Street Outreach

- *Projects will have to show a history of working with law enforcement, although “working with” was not prescribed in the FY 2025 CoC NOFO released.*



Approved Changes by Leadership Council for 2025 NOFO



- *RRH projects must transition to TH*
- *HMIS will not be placed in Tier 1 - this may change if the Tier 1 cap changes from 30% to 60%*
- *Renewal PSH projects must align with the PSH eligibility criteria for new PSH projects*
- *Site based PSH would be prioritized over scattered site PSH projects*
- *No new PSH projects would be accepted*



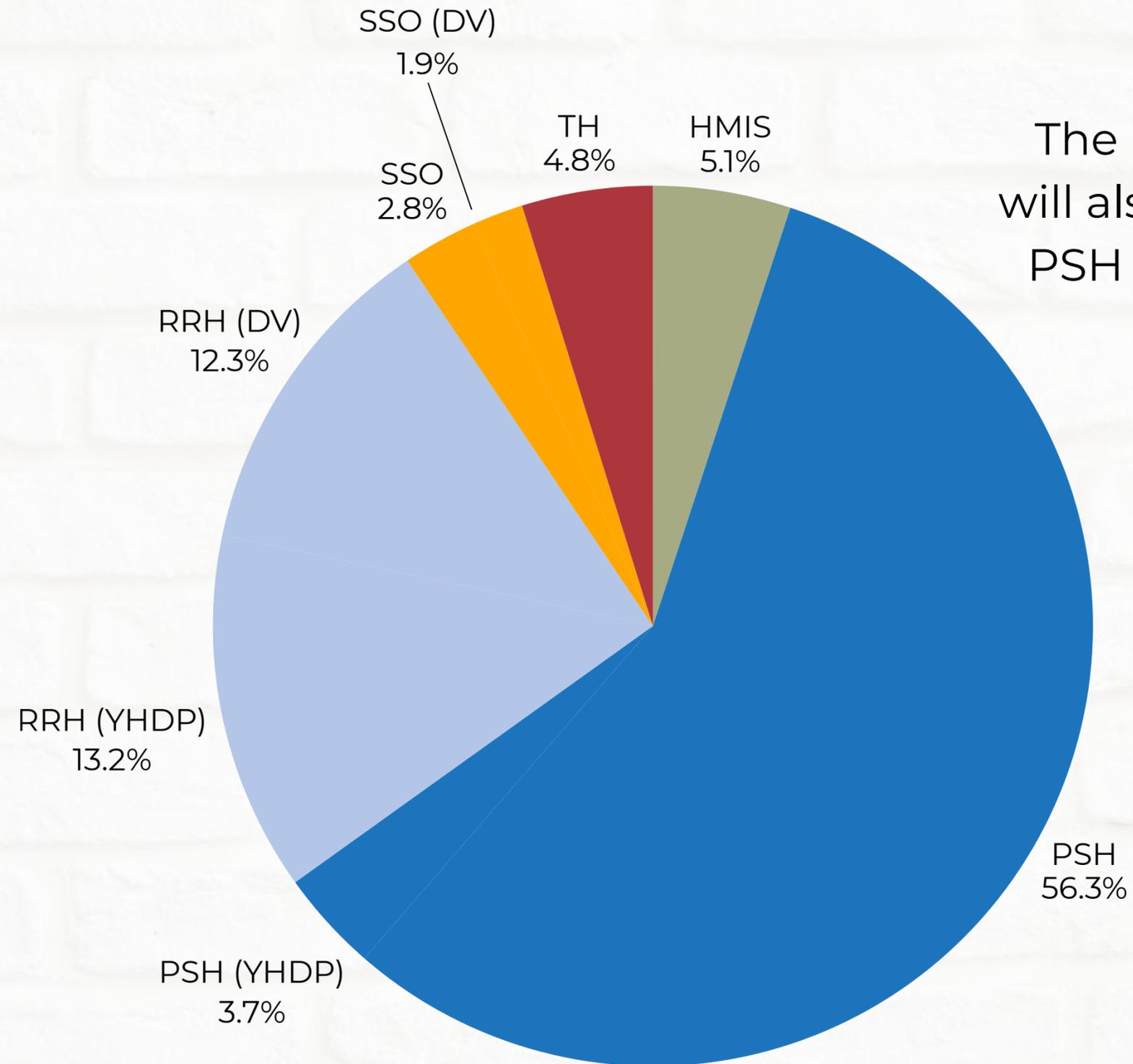
Leadership Council Policies for the FY2026 NOFO



- *The Review, Scoring, and Ranking policy will be reviewed by non-conflicted Leadership Council members for the FY 2026 CoC NOFO to come out summer 2026.*
 - *This could result in changes to the policy approved by Leadership Council in Nov 2025 under the rescinded FY 2025 CoC NOFO.*



Current Funding

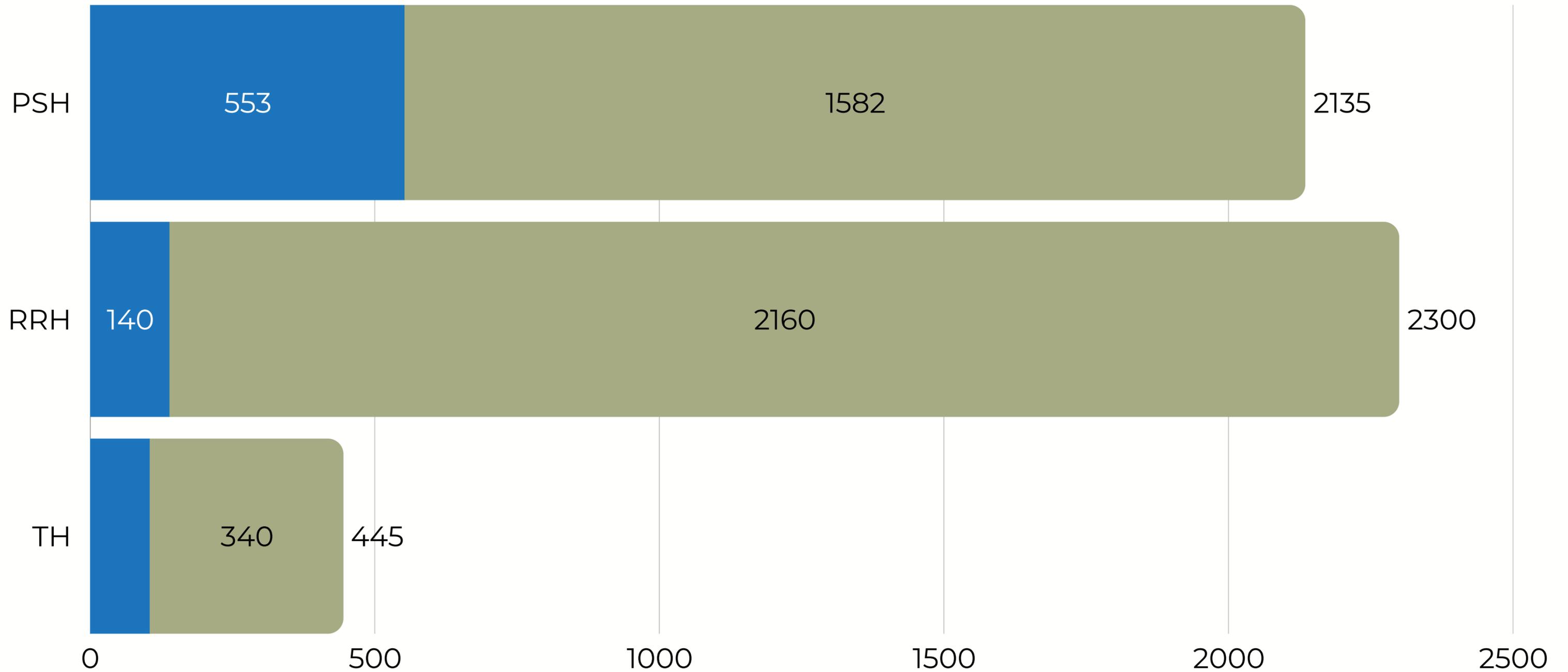


Special NOFO:
The PH cap in the 2026 NOFO will also need to include \$2.6m in PSH from two projects funded through that.



Current Inventory in HMIS

● CoC Funded ● Non-CoC



Permanent Housing Inventory in HMIS

26%

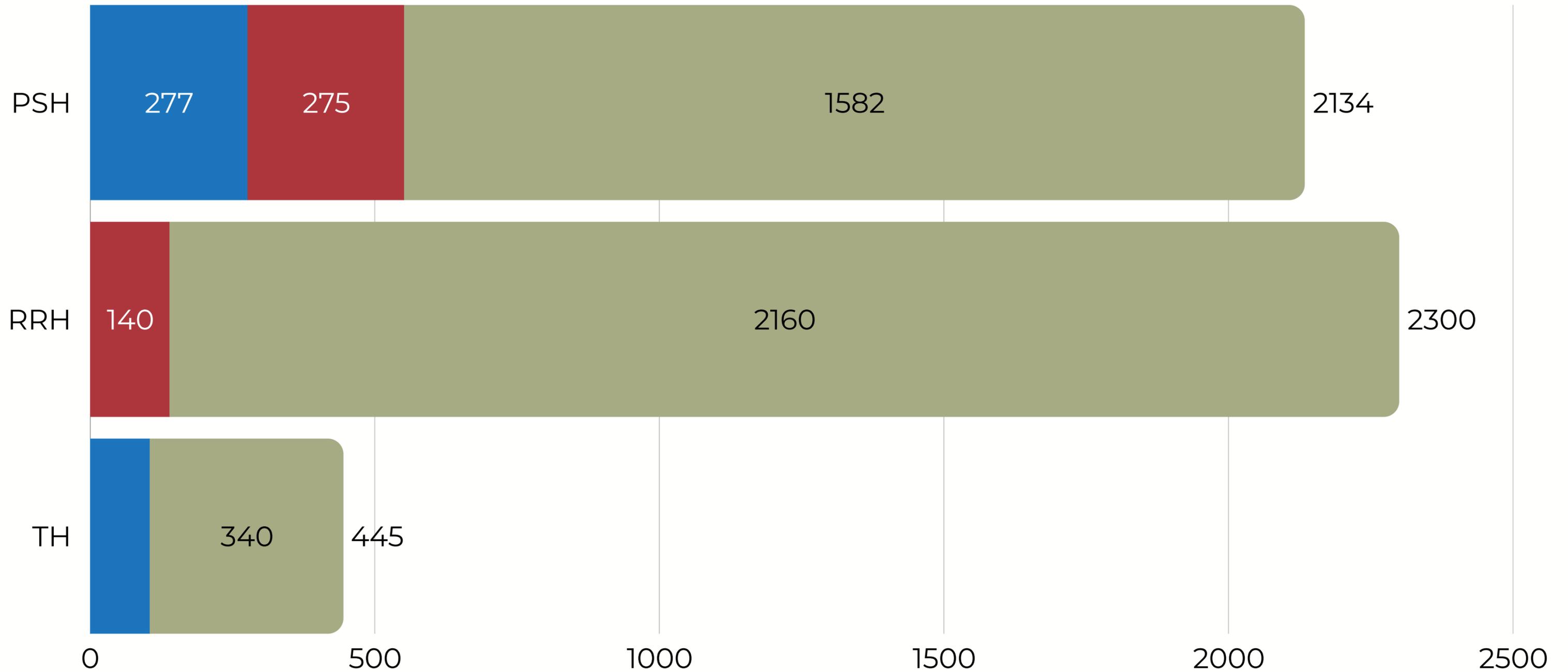
of all PSH Inventory
is CoC Funded

6%

of all RRH Inventory
is CoC Funded

Future Inventory in HMIS

● CoC Funded ● Lost ● Non-CoC



CoC NOFO Litigation Update



- *A lawsuit was brought against HUD in late 2025 by numerous national advocacy groups in response to the conditions of the FY 2025 CoC NOFO released in November 2025 and again in December 2025.*
- *A preliminary injunction has been in force against the FY 2025 CoC NOFO*
- *Congress is requiring HUD to release the FY 2026 CoC NOFO by June 1, 2026*



Renewing Projects Awarded in 2024



- *Congress is requiring HUD to non-competitively process CoC project renewals awarded in the FY 2024 CoC competition with contracts expiring in calendar year 2026.*
 - *March 2nd - for contracts expiring Jan-Mar (HMIS Contract)*
 - *Q1 accounts for 10% of all grants nationally*
 - *April 1st - contracts expiring April-June (2 projects)*
 - *July 1st - for contracts expiring July-Dec (All other projects)*



CoC NOFO Litigation Update Continued



- HUD filed a motion to dismiss the preliminary injunction by 3/2/2026 and stated they intend to award the Q3 and Q4 projects competitively under the 2025 CoC NOFO conditions.
- On 2/27/2026 the Court DENIED this request due to the disruption this would cause current CoC projects.
 - Nationally, agencies have stopped taking referrals and landlords are not willing to sign year leases. The instability is already causing harm.



Mitigating Impact (Slide 1 of 3)



Preemptive Planning

- *Proactive conversations with current PSH and RRH providers*
 - *Joint Leadership Council and CoC providers meeting to discuss needs and preemptively plan*
- *Timing of losing PH units - Summer and Fall 2027*



Mitigating Impact (Slide 2 of 3)



Proactive Outreach

- *ECHO reached out to over forty diverse organizations to discuss the opportunity, but had little time to help form a coherent collaboration.*
- *ECHO plans to continue working with smaller and larger agencies in preparation for the FY 2026 CoC NOFO.*
- *Preparing for the Introduction to HUD NOFO workshop to involve all interested applicants*



Mitigation Impact (Slide 3 of 3)



Creative funding solutions

- *Role of the City in either applying for CoC funding to using City funds elsewhere*
- *Understanding the funding gaps in the HRS overall based on what HUD will fund*
 - *Current funding gaps include tenant based PSH, RRH funding, support services for Transitional Housing*
- *Approaching funders to fill these gaps strategically*



Staying Updated



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THANK YOU

CONTACT:

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