



FY 2026 CoC NOFO Priorities

Local Application Cheat Sheet — Transitional Housing & Supportive Services

Prepared for applicant agencies

How to Use This Guide

This cheat sheet has two parts. First, a spotlight on the specific Transitional Housing (TH) and Supportive Services question that appears on ARCH's local application, with guidance on how to answer it well. Second, a full reference table of the FY26 NOFO's major priority areas, with a column for what HUD actually says and a column for what the Ranking & Review Committee will be looking for locally — so applicants can see how the question is scored. An appendix expands on how to answer the TH/Supportive Services question in more detail. Separate scoring guidance for the Ranking & Review Committee is provided in its own companion document.

This is ARCH's internal interpretation of HUD's FY26 CoC NOFO for local scoring purposes — it is not a legal interpretation of the NOFO or of 24 CFR Part 578, and it should be checked against the final adopted NOFO and ARCH's official local competition materials before Ranking & Review scores are locked.

Spotlight: The TH & Supportive Services Application Question

The local application asks:

“How does this project align with the NOFO’s stated priority for Transitional Housing and Supportive Services — Only projects paired with wraparound services?”

What a strong answer includes

- A one- or two-sentence statement connecting the TH model to recovery, stability, and self-sufficiency (this is the framing HUD itself uses).
- The specific supportive services participants will receive — case management, behavioral health/substance use treatment, employment and workforce services, mainstream benefits, healthcare, childcare, transportation, life skills.
- Whether each service is provided directly by the agency or through a named community partner or referral arrangement.
- How participation is structured or required (service agreement, individualized service plan) — this ties directly to the participation-requirement scoring criterion.

Rural note

Services do not all need to be delivered on site. Applicants may describe access through partnerships, referrals, transportation assistance, or telehealth — this is consistent with how HUD scores rural CoCs on the treatment-access criterion (see table, next page).

FY 2026 NOFO Priorities at a Glance

Use this table when scoring any application question that touches HUD's stated FY26 priorities — not just the TH/Supportive Services question.

FY26 Priority Area	What HUD Says in the FY26 NOFO	What ARCH Ranking & Review Will Look For Locally
Investment Shift Toward TH & SSO	- FY26 NOFO sets aside \$1.3 billion of new-project funding specifically for Transitional Housing (TH) and Supportive Services Only (SSO) projects, paired with wraparound services. - HUD's stated rationale: "housing alone will not solve a crisis driven by addiction and mental illness" — funding favors projects that facilitate treatment and recovery.	- Does the project visibly connect housing to a recovery / self-sufficiency strategy — not just additional beds? - Applications describing only housing operations, with no services plan, should score lower on this priority.
Participation Requirements & Service Agreements	- Full merit points require 100% of housing projects to require participation in supportive services, documented by a supportive service agreement or equivalent. 24 CFR 578.75(h) allows recipients to require non-disability-related supportive service participation as a condition of continued program participation.	- Is there a described participation-requirement process (not just a list of available services)? - Is there evidence the agreement is individualized and actively monitored, not boilerplate?
Treatment & Recovery Access (Rural-Adjusted)	- Full points (standard/urban) require on-site substance use treatment available for at least 30% of housing projects, plus partnerships with civil-commitment / treatment entities. - Rural CoCs: modified standard — only need to identify access to treatment, not provide it on-site, for full credit.	- ARCH is rural: clear identification of behavioral health / SUD treatment partners and how participants connect to them (referral, transportation, telehealth) is sufficient. - Do not penalize an applicant for lacking on-site clinicians if a documented, working partnership exists.
Self-Sufficiency & Employment	- HUD defines self-sufficiency as the ability to meet basic needs, including housing, "without public or private assistance." - Income-growth scoring counts employment income only; non-employment income growth (e.g., benefits) is not counted. - New TH projects must provide individualized services resulting in at least 20 hours/week of engagement in services, activities, or employment.	- Is there a concrete employment / workforce strategy (partnerships, job readiness, education) tied to the project? - Is there a credible plan for reaching the 20-hrs/week engagement standard for TH participants specifically?
Performance & Accountability / Renewal Risk	- HUD describes FY26 as the most competitive CoC funding cycle in program history. - Renewal projects in Tier 2 — especially underperforming ones — are at heightened risk of non-award, regardless of component type.	- Renewals: look for strong utilization, exits-to-permanent-housing, and income-growth data. - New projects: look for a clear, fundable case — Tier 2 capacity is limited and competitive.

FY26 Priority Area	What HUD Says in the FY26 NOFO	What ARCH Ranking & Review Will Look For Locally
Public Safety & Law Enforcement Coordination	- CoCs are expected to coordinate with law enforcement and first responders; governance boards are encouraged to include law enforcement representation. - Street outreach projects are scored partly on partnership with first responders / law enforcement.	Any street outreach or unsheltered-focused project should describe its coordination with local law enforcement / first responders.
Faith-Based Organization Participation	NOFO reiterates that faith-based organizations are eligible, encouraged CoC partners with equal access to funding and partnership opportunities.	No scoring advantage or penalty for faith-based status — evaluate on the same service/outcome criteria as any other applicant.
Rural CoC Accommodations (Cross-Cutting)	Several merit criteria — most notably treatment access (row above) — are explicitly modified for rural CoCs to reflect that referral/partnership models, not co-located services, are the realistic standard.	Apply the “documented access through partnership counts” standard consistently across all rural TH/SSO questions — not only the treatment criterion.

Appendix: How to Answer This Question

A closer look at how to build a strong response to the TH/Supportive Services application question.

Transitional Housing and Supportive Services Question

This question asks applicants to describe how their proposed TH project aligns with the priorities established in the FY 2026 CoC NOFO. HUD places increased emphasis on Transitional Housing that is connected to meaningful supportive services and promotes recovery, stability, self-sufficiency, and long-term economic independence.

A strong response describes the supportive services that will be available to participants and how those services will be delivered. Address, as applicable:

- Case management and individualized service planning
- Mental health and/or substance use treatment
- Employment, job training, and workforce development
- Mainstream benefits and income supports
- Healthcare
- Childcare and family supports
- Transportation
- Life skills and independent living supports
- Other services designed to address participant needs and increase self-sufficiency

Also describe any partnerships or referral arrangements that provide participants access to services not provided directly by the project. Services are not required to all be provided on site — applicants serving rural communities can explain how participants will access needed services through partnerships, referrals, transportation arrangements, telehealth, or other appropriate strategies.