

**Guiding Principles/Framework for Berkeley/Oakland/Alameda County CoC
FY 2026 NOFO Response**

May 18, 2026

The NOFO Response Team (NRT) has developed proposed guiding principles for the FY 2026 NOFO process for the Leadership Board to discuss and adopt. The NRT recommends that the Leadership Board revisit these principles once the NOFO is released and adjust and further refine as needed. In the meantime, this will provide a framework the NRT can use to continue moving forward with planning for our CoC's response to the NOFO.

Recommended guiding principles:

1. Plan for the worst-case scenario and then adjust as needed once we see the NOFO. Assumed worst-case:
 - a. There is a 60% Tier 1 (this is required per the HUD Appropriations Bill). This means we would be able to protect about \$36 million of our total \$60 million annual renewal demand in Tier 1.
 - b. There is a cap on Permanent Housing equal to 30% of our annual renewal amount. This would mean we can include \$18 million in PH projects in our CoC application but \$33 million in PH project would have to shift to other funding sources (some projects could also transition to Transitional Housing).
 - c. A 60% Tier 1 coupled with a 30% PH cap means that all remaining renewals (i.e., renewals that are not PH) will fit into Tier 1 and there will still be some space left in Tier 1 for some new projects (amount TBD depending on whether any PH grants transition to TH).
2. Adopt a strategic set of criteria to determine which PH projects should shift to other sources, such as Measure W (pending authorization).
 - a. Prevent housing insecurity for the greatest number of households
 - b. Ensure these criteria take into consideration both short and longer term consequences.
 - c. Consider possibility that in future HUD could seek to "restore" lost PH funding
 - d. Consider what types of projects could benefit from having a more flexible funding source.
 - e. Consider administrative burdens on grantees and funders of any planned shifts of grants from CoC to other sources.
 - f. Ensure any projects that are asked to shift to other funding receive a funding commitment in writing.
3. Adopt a rating and ranking policy that ensures high quality renewal projects are placed into Tier 1 to preserve existing program capacity and system infrastructure (CE and HMIS). This means Tier 1 will include:
 - Renewing PSH and RRH (up to 30% of annual renewal demand)
 - Renewing Transitional Housing (including any TH-RRH that transitions to TH)
 - Renewing Supportive Service Only (SSO), Coordinated Entry (CE) and HMIS grants

This is just a list; not a proposed prioritization. However, the NRT does recommend prioritizing PSH in Tier 1.

4. Score renewal applications based on objective factors to minimize burden on providers/applicants.
5. Invite new project applications that align with both local and HUD priorities: (1) street outreach; (2) other standalone services; (3) recovery focused transitional housing. Do not invite new PSH or RRH projects to apply (if this is allowed under the NOFO), unless it the only way that offers a pathway to request more than the 30% PH cap. (In other words, use the 30% cap for renewing existing PH projects, not for creating new PH projects).
6. Adopt a prioritization and scoring system for new projects designed to help fill high priority system gaps. Identify system gaps using available data and existing local planning processes (e.g., Home Together revision).
7. If the NOFO window follows historical practice (i.e., we have around 90 days to response), the NOFO Committee should be tasked with developing the detailed scoring factors and application materials for new and renewal projects (not the NRT). If the time window is compressed, the NRT will do this work with final approval from the Leadership Board