NIHC Competition Policies

Fiscal Year 2026 HUD Continuum of Care Notice of Funding

Northern Illinois Homeless Coalition

Approved by IN NIHC CoC Board on

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Background

The Continuum of Care (CoC) Program is a national competition between geographic areas designed to:

- promote a community-wide commitment to the goal of ending homelessness;
- provide funding for efforts by nonprofit providers, States, Indian Tribes or Tribally Designated Housing Entities [as defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103) (TDHEs)], and local governments to quickly rehouse homeless individuals and families, persons experiencing trauma or a lack of safety related to, or fleeing or attempting to flee domestic violence, dating violence, sexual assault, and stalking, and homeless youth while minimizing the trauma and dislocation caused by homelessness;
- promote access to, and effective utilization of, mainstream programs and programs funded with State or local resources; and
- optimize self-sufficiency among homeless individuals and families.

On an annual basis, the Northern Illinois Homeless Coalition (NIHC), also known as the IL-501 Continuum of Care (hereafter, CoC) competes with other communities across the US to keep funding for current projects and obtain funding for new projects. The full funding application is submitted annually to the U.S. Department of Housing and Urban Development (HUD) by the collaborative applicant after holding an internal competition for both renewal and new projects.

All projects with intent to receive funding through the Continuum of Care program must participate in the NIHC internal competition.

The policies in this document govern the processes of the Internal Competition and provide guidance for applicants. These policies were reviewed and approved by the NIHC Board of Directors effective July 8, 2026.

Timeline and Key Due Dates

July 1, 2026	Internal Competition Application is Released
July 8, 2026	Internal Competition Policy approved by-board
July 22, 2026	Internal Competition Application is Due
July 31, 2026	Applicants Notified of Ranking & Scoring

August 1, 2026	Any new applicants should have reach out to the Collaborative applicant to schedule E-snaps training.
August 7, 2026	Appeals Due (if applicable)
August 11, 2026	Final notifications of acceptance, denials, and ranking of all new & renewal grants. Social media postings for public.
August 19, 2026	All new & renewal applications entered into E-Snaps for review.
August 26, 2026	Collaborative Application Submitted to HUD by Collaborative Applicant

Applicant Eligibility

Eligible applicants include not-for-profit corporations and agencies of government in accordance with notice CPD-2600-DC-0025 (FY2026 Continuum of Care Notice of Funding Opportunity pages 9 – 12). Nonprofit organizations must have supporting documentation (see scoring guide threshold requirements). For-profit entities are not eligible to apply for grants or to be subrecipients of grant funds.

To be eligible for funding under the FY 2026 Continuum of Care and Youth Homelessness Demonstration Program Grants NOFO, project applicants must meet all statutory and regulatory requirements in the McKinney-Vento Homeless Assistance Act, (42 U.S.C. 11381– 11389) (the Act) and the CoC Program Rule found in 24 CFR part 578 (the Rule).

Project applicants can obtain a copy of the Act and the Rule on HUD's website or by contacting the NOFO Information Center at 1-800-483-8929. Individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities may visit https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs for more information on how to make an accessible telephone call to HUD.

Applicants from organizations that have never received CoC funding or applicants requesting funding for a project type that is not currently available in the CoC system (eg. recovery or sober living) are encouraged to apply.

A faith-based organization may apply on the same basis as any other organization, subject to the requirements in 24 CFR 5.109, and receive the full protections for religion in Federal law, including the Free Speech and Free Exercise Clauses of the Constitution, the Religious Freedom Restoration Act (42 U.S.C. § 2000bb-1), Title VII of the Civil Rights Act (42 U.S.C. §§ 2000e-1(a), 2000e-2(e), and the Americans with Disabilities Act (42 U.S.C. § 12113(d)). HUD does not engage in any unlawful and improper conduct, policies, or practices that target faith-based organizations.

Ranking and Scoring Policies for FY2026 Internal Competition

Purpose

On an annual basis, the NIHC 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. Additionally, HUD requires CoCs to review the performance of all funded projects and seek to reallocate funding away from low performing projects or those providing services that are of a lower priority in preventing and ending homelessness.

The NIHC is seeking to accomplish the following in the ranking and scoring of projects:

- Incentivize providers to focus on outcomes and to seek to achieve the performance targets specified by the CoC and to improve the performance of the CoC system.
- Preserve existing permanent housing resources to the extent that they make a positive contribution to ending homelessness, achieving housing stability and increasing self-sufficiency.
- Maximize funding for successful program models and pursue new opportunities to expand housing and services that promote self-sufficiency, support exits from homelessness, and increase employment.
- Ensure at least 30% of annual renewal demand funding is directed to supportive services.

Project Application Type Eligibility Matrix

Project Type	Eligible for Renewal?	Eligible for New Project?
Permanent Supportive Housing (PSH)	Yes	Yes

Transitional Housing (TH)	N/A	Yes
Rapid Re-Housing (RRH)	Yes (**only if in a transition grant**)	No
Supportive Services Only (SSO)	Yes	Yes
Transitional-Rapid Re-Housing Joint Projects (THRRH)	N/A	No

Acquisition & Rehabilitation Line Items Eligibility

Due to the limited funds available, the NIHC Board will not allow applications that include requests for acquisition or rehabilitation funds as part of any project type. These line items are allowable by HUD under TH & SSO, but the CoC has taken a more restrictive approach in this funding round.

Policy

Ranking:

All new and renewal projects will be ranked by the CoC. The primary factor controlling the ranking of projects will be the scores assigned to renewal and new projects.

Prior to being scored all new and renewal applications will be subject to a threshold review. Renewal projects with poor performance (under-expenditure of grant funds, underutilization of beds/units, untimely drawdowns of funds, failure to submit APR timely, audit or monitoring findings) may not pass threshold review.

New project applications must pass the new project quality thresholds established by HUD in the 2026 NOFO and attached to this policy.

Renewal projects passing threshold review will be ranked according to the renewal performance score based on outcomes achieved, compliance with policies, and grant management. New projects will be scored according to the new project scoring criteria based on applicant experience, quality of proposed plan to assist participants to achieve self-sufficiency and housing stability, and cost-effectiveness.

Tier 1

Tier 1 will consist of renewal permanent supportive housing projects ranked according to renewal evaluation scores.

To ensure the ongoing effective operation of the CoC, system-wide HMIS and Coordinated Entry infrastructure project <u>renewals</u> will also be ranked in Tier 1. Only System-wide infrastructure (HMIS, Coordinated Entry) projects are eligible for Tier 1.

If there is a renewal project that straddles Tier 1 and 2, the portion of the project in Tier 2 may be requested to reallocate.

50% Agency Concentration Cap

The IL-501 Ranking & Scoring has adopted at 50% agency concentration cap for FY26 Tier 1 ranking. The CoC's total Annual Renewal Demand (ARD) including HMIS, is approximately $2,777,500. Tier 1 equals 60% of the ARD, or approximately $1,644,500. The 50% cap means no single operating organization may receive more than $833,250 in Tier 1 funding. Without this cap, one organization's combines renewal ARD of approximately $1,275,459—representing 76.3% of the Tier 1 pool—would consume the majority of Tier 1 funding, displacing every other PSH and RRH renewal into Tier 2. Per guidance from National Alliance to End Homelessness, PSH renewal projects in Tier 2 are at high risk of non-renewal and should be reallocated to TH if they do not make Tier 1. In practice, without this cap, all DeKalb County CoC-funded permanent housing would be at risk of loss. The cap is calculated by operating organization, not by the fiscal agent or the applicant of record.

How the Cap is Applied

After initial scoring, rank all eligible renewal PSH projects from highest to lowest composite score. Calculate each operating organizations cumulative Tier 1 dollar total in rank order. If any organization's projects would collectively exceed $833,250 (50% of the estimated $1,644,500 Tier 1 pool, based on FY2026 GIW data), move that organization's lowest-ranked project(s) to Tier 2 and replace with the next-highest scoring project from another organization. Displaced projects retain their score-based ranking within Tier 2. The cap is calculated by operating organization, not by fiscal agent or applicant of record-organizations that act as fiscal agent fr another organization's grant are not combined with their own projects for this calculation.

Tier 2

Projects in Tier 2 will be ranked in the following order:

1) New transitional housing or supportive services only projects that are submitted as 'transition' applications by organizations with renewal grants awarded in 2025. These projects will be ranked according to the renewal evaluation score of the prior renewal grant.
2) To ensure the ongoing effective operation of the CoC, NEW system-wide HMIS and Coordinated Entry infrastructure project applications.
3) New transitional or supportive services grants that are NOT being submitted as a transition grant and reallocating funding. These projects will be ranked according to

the new project scoring criteria.
4) New DV Bonus projects will be ranked following the new TH & SSO projects.
5) Renewal projects that do not rank in Tier 1 may be considered if funding remains after all of the above projects are funded.

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.

Domestic Violence (DV) Bonus

As in prior competitions, applicants may apply for projects under the Domestic Violence Bonus (DV Bonus). These are separate resources dedicated to serving survivors of domestic violence, dating violence or stalking. Eligible DV Bonus projects include Coordinated Entry to serve survivors, rapid rehousing and transitional housing.

As part of VAWA 2022, the reauthorization of the Violence Against Women Act, the definition of DV survivors eligible to be served by CoC programs has been changed. Category 4 of the homeless definition now reads: Any individual or family who ***(i) is experiencing trauma or lack of safety related to***, or fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual's or family's current housing situation, ***including where the health and safety of children are jeopardized***; (ii) Has no other safe residence; and (iii) Lacks the resources to obtain other safe permanent housing.

Projects seeking funding under the DV Bonus may serve this population. In the 2026 competition there are not different scoring factors for DV Bonus projects. They will be scored according to the scoring criteria for new or renewal projects. The CoC will only rank new projects for which there is sufficient funding in the bonus or reallocation pool to fully fund the project.

Scoring:

An "Application and Scoring Guide" will be published for both renewal projects and new projects respectively. Both will be submitted to HUD as a part of the annual competition attachments.

Scoring is based on the following categories:

System Performance Measures (SPMs) and Annual Performance Reports (APRs)

- SPMs Report results
- APR Report results

  Note: SPMs & APRs will be run by NIHC's HMIS Team. ***The time period considered in these reports will be calendar year 2025 (January 1, 2025 – December 31, 2025).*** *NIHC staff will provide each renewal applicant with their SPM & APR reports & data to be reviewed and added into internal application by the project applicant.*

Grant Management

- Experience with managing federal grants
- Past performance with managing grants, federal, state, local, or otherwise
- Timeliness and Accuracy of reporting & claim submission
- Budget Utilization & Bed/Unit Utilization
- Compliance, policy adherence, and cooperation with monitoring activities

Community Outcomes & Regional Success

- Returns to Homelessness

Organizational Financial Capacity & Risk

- Strong demonstration of financial controls
- Sufficient reserve to operate grant on a reimbursement basis
- Risk tolerance for funding & contracting delays

Service Provision & Opportunity to Encourage Self Sufficiency

- Supportive services available (including substance use treatment services)
- Existing partnerships with mainstream resources, workforce development, law enforcement, local public housing authority, etc.
- Opportunity Zone Location
- Service participation requirements and rate of participation

Threshold Criteria

- Proposed Budget adheres to FY26 Policy (acquisition & rehabilitation line items are ineligible in all project categories)
- Organizational Legal Documentation
- Person-Centered Service Approach demonstrated by internal policies
- Board of Directors designated seats & bylaws requiring lived experience

participation

- Participation in HMIS and/or an equivalent DV system
- Adherence to accounting systems that meet 2 CFR 200.302
- Demonstration of ability to meet match requirements
- Proof of no unresolved findings with HUD
- Adherence to Single Audit & Submission of IRS Form 990

Bonus Points

Bonus Points may be awarded to project applications that meet the following criteria:

- Voluntary re-allocation of unutilized funds
- Willingness to apply through transition grant
- For new projects, at least 30% of total project budget is dedicated to supportive services
- At least 50% of project activity located in an Opportunity Zone

Policy on Expenditure of Grant Funds

Funds unexpended at the completion of the grant term are recaptured by HUD. In some instances, these funds are then allocated to other CoCs or in other cases are returned to the federal treasury. The NIHC seeks to minimize this recapture of funding and to the maximum extent possible ensure that homeless assistance funding allocated to IL-501 is used to support homeless people in Winnebago, Boone, and DeKalb Counties.

Under Expenditure Policy

It is the policy of the NIHC 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.

NIHC grantees that expend less than 75% of their funding in the most recently completed grant year for all projects, may see their grant reduced by a minimum of 10%; those who expended below 50% may be reduced by 25%. Additionally, any grantee that leaves over 50% of funds unspent in their award will have their grant reviewed and may have reallocation of funding. An annual review of this process will be conducted to ensure we reach at least 90% of funding. Projects that were reallocated in the prior competition may still be reviewed for reallocation, but additional consideration of the currently operated grant will be included in the decision to reallocate.

Review & Ranking Process

Upon closure of the internal competition, the collaborative applicant (City of Rockford Health & Human Services staff) will conduct a threshold review for compliance with 24 CFR 578 and these policies and verify the proper score summation of all objective scoring criteria for each project application.

To ensure fair and unbiased scoring, Institute for Community Alliance (ICA) will assist in the actual scoring of the application. The NIHC Ranking & Scoring Committee comprised of members who are not funded by CoC program will complete the review and ranking process.

Narrative questions will be scored by non-conflicted reviewers above using a uniform rubric and scoring guide published with the internal competition application. The average score from all reviewers will be assigned to each narrative question. Reviewer notes, scores, and scoring rubric will be maintained if needed for appeals process.

Appeals Policy & Procedures

Purpose

The purpose of the appeals procedure is to settle disagreements between an applicant and/or grantee and the NIHC quickly and fairly. The appeal process must proceed as expeditiously as possible to assure an equitable and efficient Continuum of Care Program Consolidated Application (CoC Application) process. To reach this goal, the NIHC CoC Board shall establish an Appeal Subcommittee to review, respond to and adjudicate appeals. The Board vests in this Subcommittee the authority to make all decisions concerning appeals and its decisions are final.

Policy

Criteria for an Appeal

An appeal may be filed by any CoC-funded renewal project or any agency applying for a new project that claims it has been adversely affected by:

1. Improper application or interpretation of HUD or CoC rules and regulations concerning participation of the appellant in the CoC Application process, or
2. Disparity in the application of HUD or CoC rules, regulations and procedures regarding the participation of the appellant in the CoC Application process.

Appeals may be made whenever a decision has been made that may have an adverse effect on an applicant. This includes the score received by a renewal or new project application, a reduction in grant amount of renewal grants, or the ranking in the project priority list of new and renewal applications.

Procedures

Overview

The appeals process is a two-step process: First, City of Rockford Health & Human Services (COR), acting as the Collaborative Applicant for the NIHC, will conduct an informal review on behalf of the CoC Appeals Committee to settle technical and/or procedural matters expeditiously. The Collaborative Applicant's role is to prepare an annual CoC Application for the CoC Board. In this role, the Collaborative Applicant will resolve technical matters during the informal review process. If the informal review of the appeal does not satisfy the concerns of the appellant, the matter will advance to a formal appeal process conducted by the NIHC Appeals Committee.

Informal Review

To be considered for an informal review, an applicant must submit an appeal in writing based on one of the two criteria listed above to angie.walker@rockfordil.gov with the phrase "Informal Review" in the subject line no later than five (5) business days after the event that caused the appeal. The events that can cause an appeal include any decision made by the CoC Board or relevant committee that will impact the score of renewal or new applications or the ranking of projects in the project priority list. The 5 business days for filing an appeal start on receipt of a scoring or ranking decision from the CoC.

The Collaborative Applicant will respond within five (5) business days of receipt of the appeal request.

Formal Appeals Procedure

If the informal review fails to resolve the matter, the applicant/grantee may then pursue a formal Appeal with the NIHC Appeals Committee. The following steps must be followed in the order given. An applicant organization may not omit a step.

Step 1

In order to be considered, an appeal must be filed in writing with the NIHC within five (5) business days of the response to the informal review and submitted to Todd Kisner at tkisner@publichealth.wincoil.gov with the term "Appeal" in the subject line. The appeal must be based on one of the two criteria for an appeal and include facts that support the appeal.

The Appeals Committee has five (5) business days from receipt of the appeal to investigate, contact the applicant/grantee if necessary and respond in writing.

Step 2

If the applicant organization is not satisfied with the determination of the NIHC Appeals Committee, the applicant organization can appeal directly to HUD pursuant to the current NOFA for the CoC Program.

CoC Board Conflict of Interest Policy

All members of the Board of Directors of the NIHC are required to protect the integrity of the CoC and ensure that there will be no conflict between CoC business operations (funding) and board member self-interest.

It is the policy of the Board of Directors that officers, and directors shall have the continuing affirmative duty to appropriately report any personal ownership, interest, or other relationship that might affect their ability to exercise impartial, ethical and business judgments in the area of their responsibilities.

Implementation of Policy

To implement the foregoing, the CoC shall provide to each board of director (and all members) annually a copy of the Conflict of Interest Policy and questionnaire as a means of disclosure of potential conflicts or to verify that the individual does not have any such connections or interests.

Regardless of provisions for an annual questionnaire, every board member shall report any change in personal or professional status that might be construed to be in conflict with the interests of the CoC. If the Board Chair determines that any matter, situation, or connection so disclosed is contrary to the interest of the CoC, such conflict shall be eliminated within a reasonable time.