



Maryland Department of Housing and Community Development

Homelessness Solutions Program SFY2026 Application Guidance

Application Deadline: April 25th, 2025 – 5pm

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HSP Overview

Maryland DHCD's Division of Homeless Solutions leads the state's strategy, policy, and coordinated response effort to prevent and end homelessness. This includes administering the Homelessness Solutions Program (HSP), which provides over \$15 million in annual funding to Continuums of Care (CoCs) to deliver and organize homeless services in their local communities.

HSP prioritizes funding for projects that:

- Divert households who are at-risk of becoming homeless through creative problem-solving, safe family/friend reunification and mediation, and homeless prevention
- Rapidly and effectively connect people experiencing homelessness with mainstream benefits, income, and permanent housing opportunities
- Serve especially vulnerable groups, such as unsheltered individuals, unaccompanied youth, domestic violence survivors, and individuals with complex medical and behavioral health needs
- Implement evidence-based practices and demonstrate fidelity to best practice program models
- Deliver services in a safe, inclusive, equitable, and accessible manner

Eligible activities include street outreach, shelter, host homes, rapid re-housing, permanent supportive housing, homeless prevention/diversion, HMIS data entry and system administration, and administrative costs.

Eligible applicants include:

1. A HUD-approved Collaborative Applicant/lead agency of a Maryland Continuum of Care (CoC), OR
2. A DHCD-approved lead agency for a Balance of State CoC Local Homeless Coalition (LHC)

Lead agencies may subgrant all or part of their HSP grant to government agencies or nonprofit organizations to provide eligible services. Subgrantees must demonstrate collaboration with local homeless provider groups and local mainstream service providers. Subgrantees are expected to participate in Continuum of Care planning appropriate to the jurisdiction where their HSP activities are located.

Grantees that are awarded HSP funding are required to perform due diligence in regards to organizational capacity of subgrantees before making awards. Project selections for subgrantee agencies should be based on an objective process and review of the agency's programs, including the following factors:

1. Effectiveness in connecting clients who are most in need of services with shelter and permanent housing;
2. Past performance on federal- and state-administered grants;
3. Organizational structure, operating process, and capacity;
4. Participation in appropriate provider groups and local Continuum of Care meetings;
5. Organizational financial policy, controls, stability, and capacity, including the presence and accuracy of financial management systems, accounts, funds, reports, and other documentation.

Lead agencies will be required to complete risk assessments to inform selection of subgrantees for financial and programmatic monitoring and ensure that programs are operating within the requirements and regulations of the program.

Anticipated Funding Availability for State Fiscal Year 2026

Name	Source	Anticipated Amount
Emergency Solutions Grant (FFY2025)	Federal - HUD	\$1,200,000
State HSP Funds (SFY2026)	Maryland	\$14,000,000
Total Available Funds		\$15,200,000

DHCD anticipates overall level funding for State HSP and HUD ESG funds in FY26. As of February 27, 2025, the proposed state budget for FY26 eliminates the \$5 million for emergency rental assistance that was included in DHCD's FY25 budget. Of that \$5 million, \$2.3 million was utilized to supplement HSP awards for FY25 to account for annual increases in fair market rents and reductions in permanent housing availability due to expiration of COVID-era funding. If the proposed cut is not restored in the final state budget approved by the Governor and Maryland General Assembly in early April, grantees should expect to have a total award that is closer to the award they received in FY24.

Given the proposed budget cut at the time of the HSP application opening, we are asking HSP applicants to submit 2 budget spreadsheets:

1. One based on level funding to their HSP FY24 award
2. One based on a 30% increase above the FY24 award (in the case that the proposed cut is reversed and/or DHCD is allocated additional funds in the final FY26 budget)

The final amount awarded will be based on the community's application score and the actual amount of funding allocated to DHCD by HUD and the State of Maryland for SFY2026.

CoC/LHC	Level Funding Budget	Level + 30% Increase Budget
Allegany County	\$343,156	\$446,103
Anne Arundel	\$788,327	\$1,024,825
Baltimore City	\$3,297,802	\$4,287,143
Baltimore County	\$892,206	\$1,159,868
Carroll County	\$617,997	\$803,396
Cecil County	\$327,513	\$425,767
Frederick County	\$647,162	\$841,311
Garrett County	\$254,885	\$331,351
Harford County	\$580,347	\$754,451
Howard County	\$399,218	\$518,983
Lower Shore	\$1,049,041	\$1,363,753
Mid-Shore	\$1,386,805	\$1,802,847
Montgomery County	\$1,075,643	\$1,398,336
Prince George's County	\$1,305,393	\$1,697,011
Southern Maryland	\$1,368,380	\$1,778,894
Washington County	\$652,433	\$848,163

A minimum of \$1 million will be allocated specifically for projects dedicated to serving unaccompanied youth. These funds will be largely aligned with the priorities, activities, and requirements included in the Ending Youth Homelessness Act of 2018.

SFY2026 HSP grant agreements will have an 18-month performance period – July 1, 2025 through December 31, 2026. Grantees should plan to expend all funds within the performance period – extensions will only be granted for extenuating circumstances.

Both new and renewal projects will be considered for funding. DHCD will evaluate both the CoC's overall application and individual project performance. Individual projects may be awarded funds at their full request or a reduced amount, or DHCD may decline to fund a specific project.

FY26 Funding Priorities & Changes

DHCD Funding Priorities for FY26

- DHCD encourages CoCs and LHCs to include costs for planning and coordination staff in the HSP budget if needed. Having sufficient staff to administer HMIS, monitor performance, provide technical assistance, develop strategic plans, operate Coordinated Entry, and coordinate the CoC activities is crucial to achieving maximum CoC performance.
- To improve application scores, CoCs/LHCs should:
 1. Demonstrate that they conducted a transparent and competitive project selection process using a performance-based scoring method, **AND**
 2. Propose a budget that:
 - Allocates 50% of the total funding request towards RRH and PSH projects, **OR**
 - Allocates a total amount of funding for RRH and PSH projects that is 10% higher than the prior FY24 HSP budget for RRH and PSH projects
- DHCD encourages proposals for CoCs/LHCs to use HSP funds for systems transformation projects such as:
 - Conversion of emergency or transitional shelters into permanent supportive housing
 - Integrating/embedding workforce development into RRH programs through MOUs with workforce development programs or having dedicated employment specialists on staff
 - New medical respite/special needs shelters
 - Substantial or innovative changes to staffing or program models

Ongoing SFY26 Initiatives

- HSP has consolidated funding sources internally and will no longer have minimums and maximums for case management, rental assistance, and shelter. This will maximize flexibility and braiding of HSP with other CoC/LHC funding sources.
- Project-based leasing, operating, and rental assistance costs are now allowable line items for permanent supportive housing projects. Tenant-based rental assistance for PSH is not eligible due to potential annual changes in state appropriations for HSP.
- Direct cash transfer programs for highly vulnerable households are now eligible:
 1. Unaccompanied youth
 2. Returning citizens from incarceration
 3. Pregnant or parents/caregivers/guardians with children under 5
 4. Other subpopulations with high rental housing barriers
- Flex funds for landlord incentives, removal of tenant housing barriers, and other essential costs are now eligible under this flexible expense line item. These funds are intended to mitigate unique barriers in progress towards housing stability consistent with client-centered best practices. Projects should establish policies that ensure these funds are reasonable in addressing barriers in stability, accessible for all clients, and documented. For example, individuals matched to a Housing Choice Voucher may have debt owed to the Public Housing Authority which will prevent them from being approved until resolved

- a flex fund can provide flexible assistance to remove the barrier.
- CoC/LHCs must continue to provide a 25% match for the HSP Grant. However, documentation of match is no longer required for the HSP application – compliance with match requirements will be evaluated through program monitoring. However, total operating budgets for all proposed projects must be entered into the detailed budget template in order to allow DHCD to evaluate match and leverage capacity.

Submission Guidelines

Key Dates

February 24th, 2025	Application package emailed to CoC/LHC lead agencies and available on the DHCD website
March 3rd, 2025	Training session from 10-11am via Google Meet (training will be recorded)
March 21st, 2025	Organization Profile Review and supporting material due via email and Project Portal
April 25th, 2025	SFY2026 Application, Budget and Project Reviews due by 5pm via the DHCD Project Portal
June 2nd, 2025	Award notifications and grant agreements issued
July 1, 2025	Grant period begins

DHCD will only accept one application per Continuum of Care or Local Homeless Coalition. Each Lead Agency should fill out all of the information required in the application. The Lead Agency is responsible for compiling funding requests from selected subgrantees and coordinating to ensure that the total funding request matches the amount of funding available.

Lead Agencies will primarily use the Project Portal to submit the application, and will submit the grant narrative and detailed budget application sheet as attachments in their Project Portal application. Guidance on how to use the Project Portal to submit the application and support documents will be provided as part of application training, and a link to the webinar and slides will be made available to grantees for reference. Project managers will also be available to provide assistance and answer questions as needed.

In addition, each Lead Agency must certify that their subgrantees meet the HSP requirements, and that they will perform:

1. At least one risk assessment of all grantees over the term of the grant period
2. A monitoring and compliance visit to all grantees considered deemed high-risk, and
3. Monitoring and compliance visits to medium- and low-risk subgrantees based on risk assessment criteria

For FY2026, there is no separate application for youth projects, but CoCs or LHCs applying for youth funds must answer all application questions in the youth section, and projects targeted to homeless youth should be designated as youth projects in the application budget, as separate eligibility criteria and allowable expenses apply.

Application Checklist

- ❑ **Update Organizational Profile Contact Information and Attachments: Due March 21st, 2025**
 - ❑ W-9 with address and EIN that matches your [state vendor registration](#) (both governments and nonprofits)
 - ❑ Agency Organizational Chart (both governments and nonprofits)
 - ❑ Most Recent Single Audit or Independent Financial Audit (both governments and nonprofits)
 - ❑ Articles of Incorporation and Bylaws
 - ❑ Federal Tax Exemption Determination Letter
 - ❑ Certificate of Good Standing from [Maryland Department of Assessments and Taxation](#)
 - ❑ Copy of Charity Registration Status from [Maryland Secretary of State website](#)
 - ❑ List of Board of Directors
- ❑ **Create a FY2025 Community Development and Services Application for HSP in the Project Portal**
- ❑ **Complete DHCD Project Portal Application and Budget Screens: Due April 25th, 2025**

Note: The portal budget screen should include only one “activity”: Operating
- ❑ **Upload supporting attachments to your application in the portal: Due April 25th, 2025**
 - ❑ CoC/LHC Application – Word
 - ❑ Detailed Budget and Project Listing - Excel
 - ❑ Project Performance Tool- Excel
 - ❑ Performance Data
 - Stella P Report (see application template for more instructions)
 - 2023 System Performance Measures Report (see application template for more instructions)
 - HUD Annual Performance Report (APR) from HMIS for each renewal project (Performance Period: 1/1/2024-12/31/2024)
 - 2024 Housing Inventory Count and Point in Time Count (not scored – DHCD will send instructions for how to export these reports from HDX 2.0 at a later date closer to the grant application deadline)

Application Review Process

All applications will be subject to three reviews:

1. Threshold Review: Organization Profile Review
2. CoC/LHC Performance Evaluation: Application Narrative
3. Project-Level Performance Evaluation: Project Review Tool

The threshold review determines if the application is ready for consideration and contains all required attachments. Once an application passes the threshold review, it is scored by DHCD staff based on the overall CoC/LHC application responses, proposed activities and project performance data submitted for each renewal project.

Scored Category	Maximum Points
Prior HSP Grant Spending History	5
Prior HSP Grant Compliance History	5
HMIS Compliance & Data Quality	5
Renewal Project Performance	50
CoC Application	
1. Strategy	10
2. Project Selection	20
3. System Performance	20
4. Coordinated Entry	10
5. Equity	10
6. Compliance and Quality	10
7. Youth Projects	5
8. RRH/PSH Projects	10
Total Points Possible	160

Eligible Activities & Costs

HSP provides funding for eight main activities:

- 1) **Homeless Prevention/Shelter Diversion.** Homeless prevention and shelter diversion programs assist households to remain in their permanent housing or relocate to other permanent housing when they are considered at-risk of becoming homeless. Eligible costs include rental assistance, financial assistance, and housing stabilization services. Because prevention programs are difficult to target strategically, DHCD highly encourages agencies to design a program that focuses on shelter diversion, which can help ensure resources are used as strategically and cost effectively as possible.
- 2) **Emergency Shelter.** Emergency shelter covers activities that connect people with immediate access to overnight shelter in order to respond to a crisis. Funding provided for Emergency Shelter can be used both to pay for the operations of the shelter, such as rent and utilities, as well as services provided by the shelter, including case management. **Please note that any shelter that accepts children is considered a “Family” shelter, and therefore must accept all families, regardless of the sex, sexual orientation, gender identity, or age of any members of the family.** “Women and children only shelters” are not eligible for funding through HSP.
- 3) **Street Outreach.** Street Outreach is for services that are provided to currently unsheltered individuals and families, including engagement and case management.
- 4) **Rapid Re-Housing.** Rapid Re-Housing assists homeless households who are unsheltered or staying in emergency shelter or motel paid for by government/charitable source, safe haven, or transitional housing to obtain permanent housing in a regular rental unit in the community. Eligible costs include rental assistance, financial assistance, and housing stabilization services. *Note: RRH programs targeted to unaccompanied homeless youth may also serve households or clients meeting HUD categories 2 or 3 in their programs.*
- 5) **Permanent Supportive Housing.** Permanent Supportive Housing provides households with non-time limited subsidized permanent housing and supportive services. Eligible costs include case management services such as linking residents to supportive services such as job training, health care, budgeting counseling, parenting skills, substance treatment, etc, as well as staff costs for those who assist clients in applying for food, medical, and other benefits. Additionally, eligible costs include project-based leasing, operating, and rental assistance costs.
- 6) **Homeless Management Information System (HMIS).** HMIS funding helps cover the costs of data collection through an HMIS database. **All providers must be entering data into HMIS or, for victim services providers, a comparable database.** *HMIS data entry at the service provider level should be billed to the service or activity category, and HMIS budgets should be set aside for lead agency costs or investments in software (e.g., comparable databases).*
- 7) **Special Events.** This covers the Homeless Resource Day events that are intended to connect people with available services, and activities designed to support the annual Point-in-Time (PIT) count.
- 8) **Administration Support Cost.** Administration Support Costs include funding used for staffing COC/LHC and Coordinated Entry personnel, Training and Technical Assistance, as well as conference and meeting costs. Funding in this category also supports initiatives to encourage development of Youth Action Boards and Lived Experience Committees. **An additional line item for administrative cost may be**

designated with a 10% cap to cover grant management and program monitoring expenses. Additional guidance on this provision is outlined in the next section.

A full list and description of eligible activities, costs, and policies is available in the HSP Grantee Policy Guide.

Award Terms and Conditions

Matching Funds

All Lead Agencies must provide matching funds of at least 25% of requested funding. This match requirement may be met at the community and/or grantee level, allowing communities to use programs or services funded by local and private resources as a match for this funding. The amount and source of any matching funds or services must be clearly stated in the match budget of the application submitted.

In order to meet the match requirement:

- 1) Matching contributions must be used to meet the HSP goals: reducing the number of people who become homeless, shortening the length of time people are homeless, and reducing the number of people who return to homelessness.
- 2) Matching funds must be received and expended within the HSP grant year contract period (July 1, 2024 –December 30, 2025).
- 3) Contributions cannot be used to meet multiple match requirements. This includes using matches from a previous HSP grant - matching funds can only be counted in one year.
- 4) Matching contributions may be obtained from any local or private source. No federal sources may be used, **except** funding provided by the Community Services Block Grant (CSBG) for the purpose of meeting HSP goals. Additionally, no state sources may be used, **except** funding provided through the Emergency Assistance Program (EAP), formerly known as the Homelessness Prevention Program. For federal and state sources, the grantee must ensure the laws governing any funds used as matching contributions do not prohibit those funds from being used to match HSP funds. Additionally, if HSP funds are used to satisfy the matching requirements of another federal program, funding from that program may not be used to satisfy the matching requirements of HSP.

Matching funds may include the following:

- 1) Cash contributions. Cash expended for allowable costs of the grantee/subgrantee.
- 2) Non-cash contributions. The value of any real property, equipment, goods or services contributed by the community / grantee towards meeting the HSP goals.

Administrative Funds

Applicants are eligible to apply for up to 10% of the grant request in administrative funding. **Administrative costs are those costs which are used for the purpose of managing the grant (e.g., preparing the application, financial reporting, program monitoring, training) and do not include program staff costs.** The Lead Agency may retain all funding requested for administrative costs, or may subgrant that funding to any agencies that are involved in carrying out those functions. All direct and indirect administrative costs charged to the grant must not exceed the 10% administrative cap.

Data Collection

Applicants must enroll in the Homeless Management Information System (HMIS) (or a comparable database for victim services providers) of their Continuum of Care to be eligible for HSP funds. Grantees/subgrantees must be in compliance with all requirements set forth by HUD and by the local HMIS lead agency with the exception of victim services providers.

All activities funded under HSP must comply with HUD's standards on participation, data collection, and reporting under a local HMIS (including those victim service providers using a comparable database). All current or previously funded HS grantees/subgrantees are required to be in full compliance with HMIS implementation guidelines at the time of application. New HSP subgrantees must be in full compliance with HMIS implementation at the time a grant agreement is signed.

Victim service providers are not required to participate in the local HMIS due to confidentiality and safety concerns, but are required to establish a comparable database approved by the HMIS lead agency of the Continuum of Care. Victim services/domestic violence providers must document how they intend to ensure that HSP reporting policies and procedures are in place and followed while ensuring the confidentiality of participants.

Applicants must also be participating in the Maryland State Homelessness Data Warehouse (MSHDW). The Data Warehouse uses information from HMIS to provide program reporting, and as such, all grantees are expected to be providing information that meets all data quality standards. Failure to do so can result in a reduction of funding awarded.