

Ranking and Reallocation Procedure

Background

To ensure the strategic allocation of resources and continued progress towards the goals of *Opening Doors*, HUD requires Continuums of Care to annually review and rank projects utilizing CoC funding. As part of this process, the CoC also considers whether existing funding should be reallocated from existing projects to invest in alternate strategies for ending homelessness. It is, therefore, the intent of the Metro Area Continuum of Care for the Homeless (MACCH) to develop a Ranking and Reallocation Policy and Procedure that: prioritizes project performance; is aligned with HUD and HEARTH Act policy guidance; and follows the policy priorities specified with the annual HUD CoC NOFA.

Ranking

The CoC will evaluate each project's performance and compliance with HUD and CoC requirements through its annual ranking process. In order to ensure a comprehensive, consistent and transparent ranking process, project score cards will be used. Score cards for renewal and new projects will be updated annually.

Drafts of the annual score cards will be presented to the Provider Council for review prior to their finalization. The score card will include evaluation of:

- Project performance outcomes, with specific focus on the HUD System Performance Measures;
- Cost Evaluation
- HMIS Data Quality; and
- Monitoring criteria, such as expenditure of CoC Grant Funds.

The CoC's HMIS project(s) will be exempt from completing a ranking score card. Instead, this project will be monitored by the CoC through a separate annual scorecard that includes the input of provider agencies.

The CoC will follow the below listed practices as part of the CoC's annual project ranking and tiering of renewal projects:

- All projects funded by HUD as new in the immediate prior year of competition (meaning projects without a fully complete operating year) shall be ranked at the bottom of Tier 1, in the order in which those projects were ranked in the year prior;
- HMIS project(s) will be the last project with its full budget ranked in Tier 1. The purpose of this is to ensure that projects with CoC-wide significance continue to receive CoC funding each year.

The ranking and tiering of new projects being submitted for the first time will be determined by the Project Selection Committee, which consists of non-conflicted stakeholders. The Project Selection Committee shall have non-conflict-of-interest bearing stakeholders. The Provider Council will create a list of 5-7 individuals and MACCH staff shall contact these individuals until a panel of 3 individuals agree to serve on the selection committee. Names

and professional affiliations of the Project Selection Committee shall be shared with CoC project sponsors in advance of project selection for purpose of transparency.

Reallocation Process and Procedure

The CoC's Reallocation Policy and Procedure incorporates the following general objectives:

- To ensure the CoC's responsibility in submitting to HUD an application that is consistent with HUD guidelines and the HEARTH ACT;
- To further the CoC's efforts to end homelessness throughout the geographic area.

MACCH has reached a local CoC consensus that reallocation will not be an annual mandate, unless otherwise noted per the HUD CoC NOFA, but will instead only be used if reallocation would result in: improved outcomes and further reductions in homelessness; an increase in resources to respond to unmet needs; and/or an investment in more cost-effective strategies.

- **Voluntary Reallocation**

Currently-funded CoC project applicants interested in voluntarily reallocating all or a portion of their existing CoC funding should notify MACCH in writing of their intent by the due date of HUD's Grant Inventory Worksheet (GIW).

Organizations that voluntarily reallocate project funding in order to create new permanent housing will be given preference in the new project score card.

- **Involuntary Reallocation**

MACCH will consider whether involuntary reallocation is appropriate and/or necessary based on the language in the annual HUD CoC NOFA and/or the results of the Project Renewal Performance Score Card. If reallocation is necessary, it will occur in a transparent, universal, and performance-based manner to ensure the ongoing success of our CoC's efforts to end homelessness.

Projects that score below the annually defined threshold will be notified and required to submit a plan of corrective action and improve project outcomes. At that time, projects that still do not meet threshold or successfully implement their corrective action plan will be subject to involuntary reallocation.

For purpose of the FY 2018 NOFA, MACCH is defining threshold as achieving 75% of available points per the Project Renewal Performance Score Card.

While the above described process will be followed in most cases, MACCH as the Collaborative Applicant retains the right to reallocate any project due to:

- Findings identified through the CoC's annual site-review;
- Non-compliance with HUD regulations;
- Non-compliance with CoC policies; and/or
- Fiscal non-compliance.