

# FY23 Continuum of Care (CoC) Program Competition

## Ranking and Priority Listing Process

### HUD Continuum of Care NOFO and Priority Listing

Each year, the Department of Housing and Urban Development (HUD) releases a Notice of Funding Opportunity (NOFO) for the Continuum of Care (CoC) Program.

Continuums of Care apply for funds through a Collaborative Application, rather than individual projects applying for funds. As part of this collaborative application, HUD requires that CoCs rank their projects in two tiers, in the event that enough funding is not available to fund all new and renewal (existing) projects.

### Summary of Guidance from FY23 NOFO:

- CoCs will be required to rank all projects, except CoC Planning and YHDP Renewals, including renewal projects and new projects submitted through reallocation, Bonus, or DV Bonus.
- HUD will continue the Tier 1 and Tier 2 funding process. HUD establishes each CoC's Tier 1 and Tier 2 amounts based on the total amount of funds requested by eligible renewal projects, combined with the eligible renewal project amounts reallocated during the competition.
- **Tier 1 is equal to \$3,736,331**, or 93% of the CoC's Annual Renewal Demand (ARD) (\$5,676,827) minus the Annual Renewal Amounts (ARAs) of YHDP renewal and YHDP replacement projects (\$1,659,267).
- **Tier 2 is equal to \$796,663**, which is the difference between Tier 1 and the maximum amount of renewal, reallocation, and CoC Bonus funds that a CoC can apply for, but does not include YHDP renewal or replacement projects, CoC Planning, or projects selected with DV Bonus funds.
- Projects placed in Tier 2 will be assessed for project eligibility and project quality threshold requirements, and if applicable, project renewal threshold requirements, and funding will be determined using the CoC Application score as well as factors listed in the NOFO.
- If a project straddles Tier 1 and Tier 2 funding line, HUD will conditionally select the project up to the amount of funding falling into Tier 1 and will then score the remainder falling into Tier 2. If HUD does not fund the Tier 2 portion of the project, *HUD may award the project at the reduced amount*, provided the project is still feasible with reduced funding.
- For new projects the CoC indicates it would like considered as part of the DV Bonus, HUD will award a point value to each project application combining both CoC Application score and responses to the DV bonus specific questions in the CoC application. If a DV Bonus project is conditionally selected, HUD will remove it from the listing and all others ranked below will slide up the ranking. If the DV bonus project is not selected with DV Bonus Funds, the application will remain in its position and will be considered for bonus project funding.

Total Annual Renewal Demand	Tier 1	Bonus	Tier 2	DV Bonus
\$5,676,827	\$3,736,331	\$400,385	\$796,663	\$115,049

## New Projects

CoCs may submit new projects created through reallocation, bonus, a combination of reallocation and bonus, or new DV Bonus projects. The following types of projects may be created under these categories:

	Reallocation	Bonus	DV Bonus
Permanent Supportive Housing (Dedicated PLUS or 100% CH dedicated)	✓	✓	
Rapid Re-housing (RRH) projects	✓	✓	✓
Joint TH and PH-RRH	✓	✓	✓
Homeless Management Information System (HMIS) project	✓	✓	
Supportive Services Only (SSO) (centralized or coordinated assessment system only)	✓	✓	✓

The FY23 NOFO includes at least \$52 million specifically for Domestic Violence Bonus projects. CoCs are able to apply for DV Bonus for PH-RRH, or Joint TH-RRH projects, along with SSO for Coordinated Entry specific to Domestic Violence.

## Reallocation

CoC Policies state that the CoC Lead will make a recommendation on any projects or portion of projects for reallocation. Co-Applicants may also voluntarily reallocate any portion of funds during the competition. *The following projects were reduced due to reallocation by Lane County:*

Recipient	Subrecipient(s)	Project	Reallocation	Reason
Lane County	CCS, ShelterCare, Looking Glass	McKenzie RRH	(\$80,000)	Continuous spending issues resulting in large balances for multiple grant periods; Unable to secure additional subrecipient
Lane County	ShelterCare	Camas	(\$5,000)	Continuous spending issues resulting in ongoing balances for multiple grant periods
Lane County	ShelterCare	Sahalie	(\$15,000)	Continuous spending issues resulting in ongoing balances for multiple grant periods

## Bonus

Up to 7% of the Final Pro Rata Need (FPRN), or \$400,385, is available for new Bonus project(s). The CoC received 3 proposals through RFP. The Selection Committee approved SVdP HARP PSH project (\$300,000) for submission in the FY23 application as the highest scoring project received.

The CoC committee further approved combining reallocated funds (\$100,000) with the balance of Bonus funds (\$100,385) to support the submission of an additional New Project Application, Homes for Good - Bridges on Broadway PSH.

## DV Bonus

Up to \$115,049 is available for new Joint TH-RRH, RRH, or SSO CE DV Bonus projects to specifically serve victims of domestic violence, dating violence, or stalking with dedicated units and/or services. The CoC did not receive any proposals for new DV projects through RFP. In the event that no proposals are received, the CoC Lead Applicant may submit eligible projects on behalf of the CoC. Lane County recommended, and the CoC committee approved, submission of a Coordinated Entry SSO DV project for the CoC DV Bonus opportunity.

## Ranking Guidance

CoCs are required to utilize objective criteria when evaluating and ranking projects. Requests for new bonus project applications are not allowed unless the CoC evaluates and competitively ranks projects based on how they improve system performance and HUD will prioritize funding for CoCs that have demonstrated the capacity to reallocate funding from lower to higher performing projects.

In completing the CoC Final Ranking, the CoC committee reviews the results of the Evaluation (objective performance criteria), guidance from HUD from the FY23 NOFO, as well as several different scenarios for ranking. All projects are reviewed based on an average of one to three years' of Evaluation scores and performance outcomes, which include placement in and exits to permanent housing, income growth, HMIS data quality, populations served (priority, highly vulnerable, etc.), grant expenditure and match.

New projects (not yet funded) through Bonus or Reallocation may be placed anywhere in Tier 1 or Tier 2.

CoC Planning is not ranked, but HMIS or CE-SSO project must be included in the ranking and may be placed anywhere in Tier 1 or Tier 2.

### *Conflict of Interest (24 CFR § 578.95)*

(b) Continuum of Care board members. No Continuum of Care board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.

(c) Organizational conflict. An organizational conflict of interest arises when, because of activities or relationships with other persons or organizations, the recipient or subrecipient is unable or potentially unable to render impartial assistance in the provision of any type or amount of assistance under this part, or when a covered person's, as in paragraph (d)(1) of this section, objectivity in performing work with respect to any activity assisted under this part is or might be otherwise impaired. Such an organizational

conflict would arise when a board member of an applicant participates in decision of the applicant concerning the award of a grant, or provision of other financial benefits, to the organization that such member represents. It would also arise when an employee of a recipient or subrecipient participates in making rent reasonableness determinations under §578.49(b)(2) and §578.51(g) and housing quality inspections of property under §578.75(b) that the recipient, subrecipient, or related entity owns.

Example Ranking Scenarios reviewed are as follows:

<p style="text-align: center;"><b>SCENARIO #1</b></p> <ul style="list-style-type: none"><li>-Capacity Projects (not scored)</li><li>-Renewals by Performance (One Year Scores)</li><li>-Bonus Projects (In Priority Order)</li></ul>
<p style="text-align: center;"><b>SCENARIO #2</b></p> <ul style="list-style-type: none"><li>-Capacity Projects (not scored)</li><li>-Renewals by Performance (Two Year Average)</li><li>-Bonus Projects (In Priority Order)</li></ul>
<p style="text-align: center;"><b>SCENARIO #3</b></p> <ul style="list-style-type: none"><li>-Capacity Projects (not scored)</li><li>-Renewals by Performance (Three Year Average)</li><li>-Bonus Projects (In Priority Order)</li></ul>
<p style="text-align: center;"><b>SCENARIO #4</b></p> <ul style="list-style-type: none"><li>-Capacity Projects (not scored)</li><li>-Renewals by Performance (Three Year Scores)</li><li>-Secure New Bonus/Reallocation Projects in Tier 1<ul style="list-style-type: none"><li>-Remaining Renewals</li><li>-DV Bonus Project</li></ul></li></ul>
<p style="text-align: center;"><b>SCENARIO #5</b></p> <ul style="list-style-type: none"><li>-Capacity Projects (not scored)</li><li>-Renewals by Performance (Three Year Scores)</li><li>-Secure Priority Bonus Project in Tier 1<ul style="list-style-type: none"><li>-Remaining Renewals</li><li>-Remaining Bonus Projects</li><li>-DV Bonus Project</li></ul></li></ul>

**SCENARIO #6**

- Capacity Projects (not scored)
- Renewals by Performance (Two Year Scores)
- Bonus/Reallocation Projects secured in Tier 1
  - Remaining Renewals
  - DV Bonus Project