

## County of Riverside Continuum of Care 2017 HUD CoC Program Competition Project Review and Ranking Process

### Rationale

HUD's Continuum of Care (CoC) homeless assistance programs serve as the largest single source of funding for homeless services in the County of Riverside. In the 2016 CoC Program Application, Riverside County received \$9.3 million from HUD to support 25 projects for homeless individuals and families. HUD awards homeless assistance grants through an annual application process known as the CoC Program Competition.

HUD strongly encourages each CoC to implement a thorough review and oversight process at the local level for both new and renewal projects submitted to HUD-CoC Application Process.

The CoC Program Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act Interim Rule requires local Continuums of Care to establish performance targets appropriate for population and program type, monitor recipient and sub recipient performance, evaluate outcomes, and take action against poor performers (24 CFR 578.7a.6). HUD expects each CoC to implement a thorough review and oversight process at the local level for both new and renewal projects submitted to the HUD-CoC Application Process. Ranking of renewal projects must incorporate data on project performance and effectiveness.

HUD notes that it is important that new and renewal projects meet minimum project eligibility, capacity, timeliness, and performance standards identified in the annual HUD CoC NOFA or they will be rejected from consideration for funding. In the 2016 HUD CoC Application, HUD will award up to 30 points to CoCs that clearly demonstrate the existence of a coordinated, inclusive, and outcome-oriented community process for the solicitation, objective review, ranking, and selection of CoC Program project applications:

- Objective Criteria and Past Performance
- Ranking and Selection Process
- Recipient Performance Monitoring
- Accuracy of GIW (Grant Inventory Worksheet)
- Accuracy of Project Submissions

**Comment [K1]:** This will be updated when the 2017 HUD NOFA is released.

The County of Riverside CoC is eligible to renew a total of 25 projects for the 2017 HUD CoC Program Competition. Projects are eligible for renewal for FY 2017 funds if they have an executed grant agreement by December 31, 2017 and have an expiration date that occurs in Calendar Year 2018 (the period between January 1, 2018 and December 31, 2018). These projects are renewable under the CoC Program Competition as set forth in 24 CFR 578.33 to continue ongoing leasing, operating, supportive services, rental assistance, HMIS, and project administration costs.

### Emergency Solutions Grant (ESG)

In accordance with the HUD Interim Rule and the California Department of Housing and Community Development (HCD), the County of Riverside CoC 2017 HUD CoC Program Project

Review and Ranking Process will also include review and evaluation of the State Department's newly redesigned State ESG Program, that aims to align with federal ESG and HEARTH goals to: invest in impactful activities based on key performance goals and outcomes; improve geographic distribution of funded activities and continuity of funded activities; and create a streamlined delivery mechanism. The ESG program emphasizes the involvement of local Continuums of Care and ESG entitlement entities in the funding distribution process.

### **HUD Funding Priorities**

In accordance with HUD's Homeless Policy and Program Priorities (as stated in the 2016 HUD CoC Program Application Notice of Funding Availability (NOFA), CoCs should continue to prioritize project applications that address these goals in the FY 2016 Application Process:

**Comment [KJ2]:** To be updated with release of 2017 HUD NOFA. This section has been updated based on HUD's Opening Doors strategic plan.

**1. Create a systemic response to homelessness.** In addition to having the right programs to end homelessness, CoCs should be developing the systemic supports that ensure homeless assistance is well coordinated, well managed, inclusive, transparent, and achieves positive outcomes.

**a. Measure System Performance.** HUD has developed system performance measures to assess the overall impact of a CoC's homeless assistance efforts. These measures track the average length of homeless episodes, rates of return to homelessness, and other factors that determine whether a CoC is effectively serving people experiencing homelessness. CoCs should be using these measures and analyzing how they can improve their system to achieve better performance.

**b. Create an effective Coordinated Entry process.** Coordinated entry is a key step in assessing the needs of homeless individuals and families and prioritizing them for assistance. In addition to engaging people who are seeking assistance, Coordinated Entry processes should be integrated with communities' outreach work to ensure that people living in unsheltered locations are prioritized for help. Coordinated Entry should achieve several goals:

- i. make it easier for persons experiencing homelessness or a housing crisis to access the appropriate housing and service interventions;
- ii. prioritize persons with the longest histories of homelessness and the most extensive needs;
- iii. lower barriers to entering programs or receiving assistance; and,
- iv. ensure that persons receive assistance and are housed as quickly as possible.

**c. Promote participant choice.** CoCs should do everything they can to support the choices made by persons experiencing homelessness. For example, some persons may prefer programs where residents are focused on obtaining support to recover from substance use disorders. While these projects often include many housing first features, they may also be alcohol and drug free to support the continued sobriety of their participants. Another example is the choice of where to live. Most persons experiencing homelessness struggle to balance the cost and quality of their available housing options. Whenever possible, programs should support participant's choices.

**d. Plan as a system.** CoCs should be coordinating homeless assistance and mainstream housing and service providers to ensure that people experiencing homelessness receive assistance as quickly as possible and that the assistance is focused on helping them obtain and retain housing. CoCs should be monitoring each

provider's performance, eligibility criteria, target populations, and cultural competence. They should also ensure that providers work together when a participant is moving from one program to another or when more than one program is serving the same person.

**e. Make the delivery of homeless assistance more open, inclusive, and transparent.** CoCs should ensure that the needs of all individuals and families experiencing homelessness are represented within the CoC structure by including persons who have experienced homelessness throughout the planning process and in leadership and oversight roles. CoCs should also include organizations representing persons fleeing domestic violence, the Lesbian, Gay, Bisexual, Transgender, and Questioning (LGBTQ) community, victims of human trafficking, unaccompanied youth, individuals with disabilities and different types of disabilities, and other relevant populations in their planning body. These steps ensure that service delivery is client-centered and culturally competent.

**2. Strategically allocate resources.** Using cost, performance, and outcome data, CoCs should improve how resources are utilized to end homelessness, including CoC and ESG Program funds, state and local funds, public and assisted housing units, mainstream service resources such as Medicaid, Child Care and Development Fund (CCDF), Head Start, Maternal, Infant and Early Childhood Home Visiting (MIECHV), and philanthropic efforts. CoCs should manage the performance of all projects in the community and reallocate resources whenever doing so will better help them end homelessness. Steps to consider:

**a. Comprehensively review project quality, performance, and cost effectiveness.** CoCs should use objective, performance based scoring criteria and selection priorities that are approved by the CoC to determine the extent to which each project addresses HUD's policy priorities. CoCs should reallocate funds to new projects whenever reallocation would improve outcomes and reduce homelessness. CoCs should consider how much each project spends to serve and house an individual or family as compared to other projects serving similar populations.

**b. Maximize the use of mainstream and other community-based resources.** CoCs should educate all stakeholders in the community about mainstream resources and funding opportunities, particularly new opportunities made available under the Affordable Care Act. Additionally, CoCs and homeless assistance providers should partner with other stakeholders within the community, such as Public Housing Agencies (PHAs), philanthropic organizations, and other agencies and organizations that have resources that could serve persons experiencing homelessness.

**c. Review transitional housing projects.** Recent research shows that transitional housing is generally more expensive and achieves similar or worse outcomes than other housing models serving similar populations. HUD recognizes that transitional housing may be an effective tool for addressing certain needs—such as housing for underage homeless youth experiencing homelessness, safety for persons fleeing domestic violence, and assisting with recovery from addiction. HUD strongly encourages CoCs and recipients to carefully review the transitional housing projects within the CoC's geographic area for cost-effectiveness, performance, and for the number and type of eligibility criteria to determine whether it should be reallocated to rapid rehousing or another model.

d. **Integration.** Recipients must administer their programs and activities in the most integrated setting appropriate to the needs of qualified individuals with disabilities. Recipients operating projects serving chronically homeless individuals and families must ensure individuals with disabilities can interact with individuals without disabilities to the fullest extent possible.

3. **End chronic homelessness.** To end chronic homelessness by 2017, HUD encourages three areas of focus:

a. **Target persons with the highest needs and longest histories of homelessness for existing and new permanent supportive housing.** CoCs should prioritize chronically homeless individuals, youth, and families who have the longest histories of homelessness and the highest needs for new and turnover units by implementing Notice CPD 14-012: Prioritizing Persons Experiencing Chronic Homelessness in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status.

b. **Increase units.** CoCs should create new permanent supportive housing units that are dedicated to individuals, youth, and families experiencing chronic homelessness; and, if CoCs have not already done so, dedicate existing permanent supportive housing units to those experiencing chronic homelessness. There are numerous ways a community can increase permanent supportive housing units, including applying for CoC Program funds, partnering with PHAs for rental assistance, and strengthening connections to Medicaid to pay for services in permanent supportive housing.

c. **Improve Outreach.** To decrease the number of persons experiencing chronic homelessness in a community, the community must identify and continually engage all persons who are currently experiencing sheltered or unsheltered chronic homelessness and those who are in jeopardy of experiencing chronic homelessness. This includes ensuring effective communication with individuals with disabilities and taking reasonable steps to ensure meaningful access to services, programs, and activities by persons with Limited English Proficiency (LEP persons).

4. **End family homelessness.** Most families experiencing homelessness can be housed quickly and stably using rapid rehousing. Some will need the long-term support provided by a permanent housing subsidy or permanent supportive housing. CoCs should ensure that families can easily access housing assistance tailored to their strengths and needs and, through partnerships, increase access to mainstream affordable housing. For most CoCs this will require expanding rapid rehousing programs. HUD encourages CoCs to use reallocation to create new rapid rehousing projects and to use ESG and other funding sources to expand rapid rehousing assistance.

5. **End youth homelessness.** CoCs should understand the varied and unique needs of youth experiencing homelessness, and reach out to youth-serving systems and providers to encourage their active participation in the CoC. CoCs and youth serving organizations should work together to develop resources and programs that better end youth homelessness and meet the needs of homeless youth, including LGBTQ youth. HUD recipients must comply with HUD's final rule, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity, which requires that HUD-assisted and HUD-insured housing programs are made available to all otherwise eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. Please see also Notice CPD-15-02: Appropriate Placement for Transgender Persons in Single –Sex Emergency Shelters and Other

Facilities. When evaluating the performance of youth programs, CoCs should take into account the specific challenges faced by youth experiencing homelessness. When CoCs identify lower performing youth serving projects, they should seek to reallocate funds from those projects to projects that will achieve better outcomes for youth. In coordination with mainstream programs, CoCs should also consider how they can best serve young people who are fleeing domestic violence, human trafficking, or who are exchanging sex for housing.

**6. End veteran homelessness.** Ending veteran homelessness is within reach for many communities, and CoCs should take specific steps to reach this goal including prioritizing veterans and their families for assistance when they cannot be effectively assisted with VA services, and coordinating closely with veteran serving organizations and VA-funded housing and services. Communities that have effectively ended veteran homelessness should continuously assess the performance of the homeless assistance system to ensure the continued achievement by periodically reviewing the criteria and benchmarks established by HUD, VA, and USICH.

**7. Use a Housing First Approach.** Housing First is an approach to homeless assistance that prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions such as sobriety or a minimum income threshold. Projects using a Housing First approach often have supportive services; however, participation in these services is based on the needs and desires of program participants. Following are specific steps to support a Housing First approach:

- a. **Use Data to quickly and stably house homeless persons.** Programs that use a Housing First approach should be moving individuals and families quickly into permanent housing. CoCs should measure the length of time it takes for programs to move households into permanent housing and help providers improve performance.
- b. **Engage landlords and property owners.** Identify and recruit landlords of units in the geographic area so that when an individual or family needs housing, potential units that those individuals or families may choose from have already been identified, speeding up the housing process. Landlord engagement can be undertaken by each homeless assistance provider or consolidated so that one or a few organizations engage landlords on behalf of many providers.
- c. **Remove barriers to entry.** CoCs should review project-level eligibility criteria for all programs and remove any barriers to accessing housing and services. Persons experiencing homelessness should not be screened out of or discouraged from participating in programs because they have poor credit history, or lack income or employment. People with addictions to alcohol or substances should not be required to cease active use before accessing housing and services.
- d. **Adopt client-centered service methods.** All projects should ensure housing and service options are tailored to meet the unique needs of each individual or family presenting for services and that program participants have access to the services that they reasonably believe will help them achieve their goals. However, program participants should not be required to participate in services and cannot be required to participate in disability-related services.

### ***Independent Review Panel***

The Independent Review Panel is made up of 5-7 members who are nominated and elected by the CoC membership. They must not have a conflict of interest, which means they should not work or volunteer for an agency that is currently receiving HUD CoC and/or Emergency Solutions Grant (ESG) funding. All decisions made will be reached through consensus (general agreement).

The Independent Review Panel will evaluate and rank in priority order all project applications for CoC Program funds. They will determine if any projects eligible for renewal should be recommended to the Board of Governance to be reduced or eliminated to develop new projects. The panel is also responsible for recommending a reallocation strategy, a process by which a CoC shifts funds in whole or in part from existing CoC funded projects that are eligible for renewal to create one or more new projects. These recommendations will be approved by the CoC Board of Governance. A reallocated project must be a new project that serves new participants and has either a rapid re-housing or permanent supportive housing program design. The Panel will make its recommendations known to the CoC membership prior to presenting the recommendations to the Board of Governance. The Board of Governance may approve the recommendations or make revisions to the recommendations before final approval.

### ***Reallocation***

Reallocating funds is one of the most important tools by which CoCs can make strategic improvements to their homelessness system. Through reallocation, CoCs can create new, evidence-informed projects by eliminating projects that are underperforming or are more appropriately funded from other sources.

It is possible that funds will be reallocated from projects that will not receive renewal funding, or whose funding will be reduced. This is done through a recommendation made by the Independent Review Panel, based on HUD priorities, and approved by the Board of Governance.

When considering reallocation, the Independent Review Panel will:

- Consider unspent funds and the ability to reduce grants without reducing service/housing levels.
  - Receive guidance from the Collaborative Applicant about the limitations related to spending CoC funds.
  - For projects receiving leasing or rental assistance, information about unspent funds will be presented together with information about agency capacity (i.e. serving the number of people the project is designed to serve).
- Consider history of reductions.
- Consider alternative funding sources available to support either new or renewal project(s) at-risk of not being funded.
- Consider renewal HUD “covenant” concerns.
- Consider impact on CoC’s Consolidated Application score.
- Consider non-compliance issues identified during the review and rank process project monitoring.



- Consider projects with consistently low scores.

The impact of this policy is that high scoring projects may be reallocated if these considerations warrant that decision. Also, if a project receives less than 70 90 points, then the Independent Review Panel may recommend reallocation of funding.

**Comment [KJ3]:** Revising this from 70 points up to 90 points is recommended based on the 2016 HUD debrief webinar

Decisions regarding reallocation are best made when guided by an overall strategic plan, in which the CoC assesses existing projects for their performance and effectiveness in ending homelessness. In general, CoCs should direct funding towards projects that:

- a. Serve the highest need individuals or families and as specified by HUD (i.e. chronically homeless);
- b. Help project participants obtain permanent housing as rapidly and directly from homelessness as possible;
- c. Ensure long-term housing stability; and
- d. Ensure the best and most cost-effective fit given a community's needs.

### **CoC Transparency**

HUD requires that each CoC conduct a transparent and objective process to review and rank all applications for renewal of existing projects and creation of new projects. To ensure transparency and fairness, this process will be:

- 1) Publicly announced by the CoC;
- 2) Described and distributed in writing to the entire CoC;
- 3) Reviewed by the entire membership of the CoC during a designated meeting;
- 4) Recorded in the minutes of the designated meeting including all decisions made concerning the review and ranking; and
- 5) Minutes will be distributed to the entire CoC.

Each individual CoC project will receive a report of the project's score given by the Independent Review Panel. Each project agency evaluated will then have ten (10) business days following the release of individual project scores to appeal the results.

### **Appeals Process**

The Appeals Committee represented by 3-5 non-conflicted CoC members will review all appeals and will make recommendations to the CoC Board of Governance. The Appeals Committee will be selected from the CoC Board of Governance or its designees. These individuals will have no conflict of interest in serving, as defined by the same guidelines for membership on the Independent Review Panel. Voting members shall not serve simultaneously on both the Independent Review Panel and Appeals Committee; however, an Independent Review Panel member and DPSS staff will participate in the Appeals Committee to inform discussion.

Applicants may appeal any of the following decisions of the CoC Board of Governance:

- Placement of a project in Tier 2.
- Reduction of a renewal grant amount (i.e. renewal grant partially re-allocated to a new project).
- Reallocation of a renewal grant (i.e. entire grant reallocated to a new project) if not previously notified that the grant was to be reallocated as a result of low performance.

Applicants placed in Tier 1 may not appeal their rank on the Project Priority Listing. All renewal applicants will receive a copy of their scorecard by [REDACTED].

**Comment [KJ4]:** Date to be determined when the 2017 NOFA is released

Any agency that wishes to appeal must notify the DPSS Homeless Programs Unit, c/o Jill Kowalski in writing via email @ [jkowalsk@riversidedpss.org](mailto:jkowalsk@riversidedpss.org) no later than [REDACTED], 2017; or at least two business days after the priority ranking has been communicated in writing. An appeal can be in the form of a letter, a memo or an email and must state the following:

**Comment [KJ5]:** Date to be determined when the 2017 NOFA is released

- ✓ Agency name
- ✓ Project name
- ✓ Reason for appeal (no longer than two pages)
- ✓ Documentation to support the appeal

Applicants will be notified of the outcome no later than [REDACTED], 2017. If an appeal will be filed, other agencies whose rank may be affected will be notified as a courtesy. Such agencies will not be able to file an appeal until after the appeals process is complete.

**Comment [KJ6]:** Date to be determined when the 2017 NOFA is released

### **Review and Evaluation Process**

The following are final recommendations for the 2017 County of Riverside Continuum of Care Application Renewal Project Evaluation Process. This process was approved by the Board of Governance on March 16, 2017; however, it is subject to be updated based on the release of the 2017 HUD CoC Program NOFA.

Projects are eligible for renewal for the FY 2018 NOFA if they are currently operating and have a signed grant agreement with HUD that will expire during the period beginning January 1, 2017 and ending December 31, 2018.

### **Permanent Housing (PH)**

All PH providers (which includes both Permanent Supportive Housing (PSH) and Rapid Rehousing (RRH) should have the option to submit a project application for renewal if the project(s) meet or exceed project quality goals established by HUD and CoC guidelines which include the following:

- \_ At least 80 percent of project participants either remained in permanent housing or exited to permanent housing;
- \_ At least 20 percent or more of project participants have employment income (or other sources such as SSI and/or SSDI, for those who are not employable);
- \_ At least 54 percent of project participants increased their income from sources other than employment in a given operating year;



- \_ At least 56 percent of project participants obtained mainstream benefits; and
- \_ At least 100 percent of the project participants came from the street or other locations not meant for human habitation, emergency shelters, or safe havens.

In addition, PH providers must:

- \_ Implement a Housing First approach.
- \_ Permanent Supportive Housing (PSH) projects only: fill vacant beds with only chronically homeless persons.

Permanent Housing providers who are not able to meet all goals may be considered low performing and, as such:

- May be placed in Tier 2;
- Funding may be reallocated to create new projects through a Request for Proposal process.

### ***Transitional Housing (TH)***

As noted in the 2016 CoC NOFA, HUD recognizes that transitional housing (TH) can be an effective tool in many communities for addressing the needs of specific subpopulations, such as homeless youth, domestic violence survivors, and homeless people with substance abuse issues. However, recent research shows that transitional housing is generally more expensive than other housing models serving similar populations, is often more service-intensive than most homeless households need, and the criteria for entry into many transitional housing programs are so rigorous that transitional housing beds are under-utilized because homeless households cannot overcome the barriers to entry. HUD is strongly encouraging CoCs and recipients to carefully review the transitional housing models within the geographic area for cost-effectiveness, performance, and for the number and type of criteria used to determine eligibility for the program and determine if rapid re-housing may be a better model for the CoC's geographic area.

All TH providers should have the option to submit a project application for renewal if the project(s) meet or exceed project quality goals established by HUD and CoC guidelines which include the following:

- \_ At least 80 percent of project participants exited from transitional housing to permanent housing;
- \_ At least 20 percent or more of project participants have employment income (or other sources such as SSI and/or SSDI, for those who are not employable);
- \_ At least 54 percent of project participants increased their income from sources other than employment in a given operating year; and
- \_ At least 56 percent of project participants obtained mainstream benefits.

In addition, TH providers should be able to answer "yes" as to whether the program implements a housing first approach.

TH providers who are not able to meet all goals may be considered low performing and, as such, the projects:

- May be placed in Tier 2;
- Funding may be reallocated through a local Request for Proposal process.

The review and evaluation process will be conducted on **three levels**:

1. General Threshold Review

To help ensure compliance with regulatory guidelines and local competition requirements, all organizations applying for funds under the HUD CoC Competition must complete the General Threshold Checklist and provide attachments as requested.

2. Project Performance Measures and Scorecard

HUD has developed System Performance Measures (SPM) to assess the overall impact of a CoC's homeless assistance efforts. These measures track the average length of homeless episodes, rates of return to homelessness, and other factors that determine whether a CoC is effectively serving people experiencing homelessness. The performance of each renewal project will be assessed using HUD's SPM.

**Comment [JK7]:** System Performance Measure standards have been added to the 2017 review process

3. Annual Performance Report (APR): The HEARTH Interim Rule states that HUD may terminate the renewal of a grant and require the recipient to repay the renewal grant if the recipient fails to submit an APR within 90 days of the end of the program year or if the recipient submits an APR that HUD deems unacceptable. The APR will be used to evaluate the performance of the renewal project.

Performance will be evaluated using data from the project's most recent Annual Performance Report (APR) submitted for the last full operating year, financial management/fund expenditures, cost effectiveness, match and leverage, monitoring reports, prioritization of chronically homeless, CoC participation, HMIS data quality and bed utilization, including but not limited to:

Performance Measures (for all projects)

- Exit to Permanent Housing: At least 80 percent of project participants exited to permanent housing.
- Housing Stability: At least 80 percent of project participants remained in permanent housing.
- Increased Income: At least 20 percent or more of project participants have employment income or 54 percent or more of project participants have income from sources other than employment.
- Access to Mainstream Benefits: At least 56 percent of project participants obtained mainstream benefits.
- Bed Utilization and cost effectiveness: Projects will be evaluated based on their bed/unit operating capacity, utilization rate and cost effectiveness

- Proposed versus actual beds
- Bed/unit utilization rate (Projects with low utilization rates below 80% must have a valid explanation as well as a plan to increase the utilization rate).
- Cost per bed/client

#### Homeless Management Information System

- f. HMIS Participation: Projects will be evaluated based on the extent of their participation in HMIS, data quality, accuracy and timeliness. Participation in HMIS also includes:
- a. Timely submission of required data for the Point-in-Time Count and Housing Inventory Chart
  - b. Timely response for questions related to the AHAR (if any)
  - c. Adherence to HMIS standards as specified in the CoC HMIS Charter for the following:
    - Data Quality Standards – Accuracy, Completeness and Timeliness (Section 5)
    - Privacy and Security Standards (Section 6)
    - HMIS Implementation Standards – Agency Participating Agreement, End-User Agreement, Agency Administrator (Section 7)
    - Data Collection and Reporting Standards (Section 8)

#### HUD-CoC Priorities/Requirements

- g. Coordinated Entry System (CES) Participation: projects will be evaluated based upon their commitment and participation in CES.
- h. Housing First: projects will be evaluated based on whether or not they are using a housing first approach in serving all participants entering their program.
- i. Prioritization of Chronically Homeless: projects will be evaluated based upon whether or not they are prioritizing the chronically homeless to fill vacant (turnover) beds.

#### Financial Management and Reporting

Renewal projects will be scored on the following:

- j. Unspent Funds: projects will be evaluated on funds returned/unspent in the last three years. Each project will be evaluated on the percentage of the overall project budget is unspent. For example, projects that return 5% or less of their overall project amount will receive the highest score. Unspent funds, no matter what the amount, will be considered for reallocation by the Independent Review Panel if there are unspent funds for a consecutive 3-year period of the project.
- k. Timely Submission of Claims – whether or not the agency has a history of submitting claims on a monthly basis. This will be evaluated based on the percentage of timely claims submitted during a 12-month period and an overall review based on a 3-year period.
- l. Match: Whether or not the project meets the 25 percent match requirement.
- m. Leveraging: Whether or not the project meets the 150 percent leverage requirement.
- n. History of serving ineligible persons, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

- o. Audit/Monitoring findings for which a response is overdue or unsatisfactory.
- p. History of inadequate financial management accounting practices.
- q. History of non-compliance with HUD CoC Program funding requirements, defined in the HEARTH Act and /or NOFA.
- r. History of other major capacity issues that have significantly impacted the operation of the project and its performance.

New or recently reallocated PH projects (PSH or RRH) may not have data to be used in the review because they have not been operational for a full year. This will be taken into consideration in the ranking process.

See Scorecards for each housing component:

- Permanent Supportive Housing
- Rapid Rehousing
- Transitional Housing

### **Prioritization and Ranking**

In the 2016 NOFA, HUD requires Collaborative Applicants to rank all projects, except CoC Planning and UFA (Unified Funding Agency) costs, in two tiers. Tier 1 is equal to 93 percent of the CoC's FY 2015 Annual Renewal Demand (ARD) approved by HUD on the final HUD-approved Grant Inventory Worksheet (GIW), finalized either during the FY 2016 CoC Program Registration process or during the 10-day grace period after this NOFA was published. Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for the permanent housing bonus (before adjustments are made to permanent housing leasing, operating, and rental assistance line items based on changes to FMR) as described in Section II.B.4. of the 2016 NOFA.

**Comment [KJ8]:** This whole section will be updated with release of 2017 HUD NOFA

**Comment [RC9]:** This may be revised based on the 2017 NOFA

The Independent Review Panel will adhere to the process required in the 2016 NOFA that is (Section I-C of the 2016 NOFA) as follows:

Project applications submitted to the CoC for inclusion on the FY 2016 CoC Priority Listing as part of the CoC Consolidated Application must be reviewed and either accepted and ranked or rejected by the CoC Board of Governance. All projects approved by the CoC Board of Governance must be listed on the CoC Priority Listing in rank order, with the exception of project applications for CoC planning and UFA Costs which will not be ranked, to establish the projects located within Tier 1 and the projects located within Tier 2, as described in Section II.B.16. of this NOFA. The purpose of this two-tiered approach is for CoCs to clearly indicate to HUD which projects are prioritized for funding (Tier 1, which is 93 percent of the CoC's ARD).

The Independent Review Panel will score each project and rank in order based on highest to lowest score. The projects will be ranked by which project components are prioritized for HUD. In addition, the Panel will recommend whether or not projects that fall into Tier 2 should be reallocated to new PSH or RRH projects.