Texas Balance of State Continuum of Care

FY 2019 Ranking Policy and Procedure for Continuum of Care Program Funds in the Texas Balance of State Continuum of Care

About the Ranking Policy
The Texas Homeless Network (THN) is the Collaborative Applicant and Continuum of Care (CoC) Lead Agency for the Texas Balance of State Continuum of Care (TX BoS CoC). THN facilitates the local application process/competition in the TX BoS CoC for U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Program funds. The TX BoS CoC Board of Directors is required to establish priorities for the inclusion of Projects into the Priority Listing as well as establish considerations for especially vulnerable populations.

Overview of Ranking
Since FY2012 HUD has required Collaborative Applicants to rank all new reallocated, bonus, DV Bonus, and renewal project applications submitted by project applicants in two tiers. This ranking is done in the CoC’s Priority Listing. The purpose of this two-tiered approach is for CoCs to indicate to HUD which projects are prioritized for funding.

Tier 1 is equal to 94 percent of the CoC’s Annual Renewal Demand (ARD), as described in Section III.C.3.a of the FY2018 Notification of Funding Availability (NOFA). Tier 1 projects traditionally have been protected from funding cuts.

Tier 2 is the difference between Tier 1 and the CoC’s ARD plus any amount available for bonus projects (not including amounts available for DV Bonus projects and before adjustments are made to permanent housing leasing, operating, and rental assistance budget line items based on changes to Fair Market Rent (FMR)) as described in Section III.C.3.c of the NOFA. Tier 2 projects have to compete nationally for funding. Projects placed in Tier 2 will be assessed for eligibility and threshold requirements, and funding will be determined using the CoC Application score as well as the factors listed in Section II.B.10.b of the NOFA.

Ranking in the TX BoS CoC
Because 100% of the TX BoS CoC renewal funding will not fit into Tier 1, the CoC is required to prioritize Tier 1 for the highest performing projects or promising New Projects and must have a clear and transparent method for determining which projects rank in Tier 1, and which projects rank in Tier 2. The following sections describe past considerations for the ranking process.

The Planning Project
The Planning Project is an unranked support project that is awarded to the CoC’s Collaborative Applicant. The Planning Project is only available to the CoC’s Collaborative Applicant. This project allows the CoC the opportunity to carry out the planning and coordination efforts needed to organize an effective community response to homelessness. The amount of funding available to the CoC via the
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Planning Project is determined by the CoC’s Preliminary Pro Rata Need (PPRN). According to the NOFA, the Planning Project is not ranked, therefore the Planning Project is not subject to the rating and ranking Policies and Procedures.

First-Time Renewal Projects
First-time Renewal Projects are those that were funded as part of the FY 2018 CoC Program competition that are not yet under contract or who are in the first operating year during the FY 2019 CoC Program Competition and do not have 12 months of data to base performance analysis. These projects have been historically “held harmless” and ranked in the bottom of Tier 1, in order of their 2018 ranking. If a project that is being held harmless straddles Tier 1 and Tier 2, that is, the inclusion of the requested renewal funds associated with that project in Tier 1 would cause the Tier 1 total to exceed the allowed 94%, all projects held harmless will move up one row, and the lowest scoring renewal project in Tier 1 will drop to Tier 2.

Consolidated Projects
Consolidated projects are the result of the combination of more than one, but less than 5 eligible renewal applications of the same component type submitted by the same eligible renewal applicant. Applications for Consolidated Projects will not be scored, but their component Renewal Projects will be scored. The Renewal Projects will be ranked following the FY 2018 TX BoS CoC Ranking Policy, and Consolidated Projects will be ranked according to HUD guidance. That is, the Consolidated project will be given a ranking of C”X” where “X” is the highest of the ranked component renewal projects.

HMIS
In the FY 2015 CoC Competition, the TX BoS CoC placed the HMIS Project in Tier 2. Based on the project’s ranking nationally and the CoC Application score the project was defunded. As a result, the TX BoS CoC board adopted the policy attached in Appendix A. The TX BoS CoC’s HMIS Project will be ranked first in Tier 1, per the policy adopted by the TX BoS CoC Board on 6/8/2016. HUD requires CoC’s to use an HMIS. Placing HMIS funding in Tier 2 risks defunding the project, and makes sustainability of required CoC activities impossible.

In FY2018, the Board amended the FY 2018 TX BoS CoC Review, Score, and Ranking Policies and Reallocation Process for HUD Continuum of Care Program Funds to include all CoC Infrastructure at the top of Tier 1 since CoC Infrastructure supports the operation of the CoC and the implementation of CoC Program requirements, like HMIS or Coordinated Entry. To be considered CoC Infrastructure a Project must support the entire Geographic Service Area of the TX BoS CoC.

Ranking Policy
Given the above considerations and historical context, the TX BoS CoC Board adopts the following ranking policy:
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For Tier 1,

- Any CoC Infrastructure Projects, such as HMIS Renewal Project, HMIS Expansion Project, Supportive Services Only – Coordinated Entry (SSO-CE), will be ranked first provided that the proposed project covers the entire Geographic Service Area of the Continuum of Care.
- Renewal Projects, which currently consist of Permanent Housing – Permanent Supportive Housing (PH-PSH) and Permanent Housing – Rapid Rehousing (PH-RRH) project component types, will be placed next in order from highest-scoring to lowest-scoring. Lowest-scoring Renewal Projects may drop to Tier 2 depending on how the “hold harmless” renewal projects fall in Tier 1.
- “Hold Harmless” Renewal Projects, or projects that are in their first year of operation and do not have at least 12 months’ worth of project data, will be ranked at the bottom of Tier 1 based on score.

For Tier 2,

- Remaining Renewal Projects and all New Projects, including Expansion Projects, will be placed in Tier 2.

Ultimately, all projects will be organized to best maximize the CoC Consolidated Application’s overall score and potential for funding.

**Ranking Procedure**

Once the final scorecards are received from the Independent Review Team (IRT)\(^1\), THN, as the Continuum of Care Lead Agency, will average IRT scores for a given project and convert the raw score to a percent score using the following formula.

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\frac{(IRT \text{ Score } 1 + IRT \text{ Score } 2 + \text{ HMIS Performance Data})}{2} = \text{Average Score}
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\left( \frac{\text{Average Score}}{\text{Total Possible}} \right) \times 100 = \text{Percent Score}
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THN Staff will then populate the Priority Listing using the Ranking Policy above, Project Percent Scores and an Excel calculator that determines the Tier 1 lower threshold and the mathematical advantage of a given ranking scenario. THN Staff will create several scenarios with similar mathematical advantages for consideration to the Continuum of Care Board of Directors to approve or reject.

The Continuum of Care Board of Directors at a specially called board meeting will review the proposed rankings, the rationale, and the advantages and disadvantages of each. Once a scenario has been selected, THN will populate the Priority Listing and make available for Public review no less than 2 days before the Competition deadline as outlined in the CoC Program NOFA.

***This policy was approved by the Texas Balance of State Continuum of Care Board of Directors 5/22/2019 and made publically available at thn.org on 5/23/2019***

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\(^1\) For more information about the Independent Review Team, refer to the document titled “FY2019 Review and Scoring Policies and Procedures for Continuum of Care Program Funds in the Texas Balance State Continuum of Care”.

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